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IN THE

# United States Court of Appeals

For the Ninth Circuit

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No. 17638 ✓

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JORGEN V. KIERULFF,  
*Plaintiff-Appellant,*

*vs.*

METROPOLITAN STEVEDORE COMPANY,  
*Defendant-Appellee.*

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On Appeal from the United States District Court for the  
Southern District of California—Central Division

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## PLAINTIFF-APPELLANT'S BRIEF AND APPENDICES

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## PLAINTIFF-APPELLANT'S BRIEF

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### JURISDICTIONAL STATEMENT

This is an appeal from a final judgment in a patent infringement action arising under the patent laws of the United States (Title 35 U. S. C., and 28 U. S. C. §1338).

The final judgment was entered on September 26, 1961, by Judge W. Mathes of the United States District Court, Southern District of California, Central Division. A notice of appeal was filed on October 6, 1961, within thirty days of the judgment, pursuant to Rule 73, F. R. C. P.

Jurisdiction is conferred on this Court by Title 28 U. S. C. §1291.



## INTRODUCTION

Jorgen V. Kierulff, appellant (plaintiff below), a citizen of the United States, and residing in the County of Los Angeles, filed his complaint on May 3, 1960 (R. 2)\* against Metropolitan Stevedore Company, located and doing business in Wilmington, California. (The parties will hereinafter sometimes be referred to as Kierulff or appellant and Metropolitan or appellee.) The complaint alleged infringement of U. S. Patent No. 2,919,042, issued December 29, 1959.

Metropolitan, appellee, filed an answer asserting the invalidity of the patent in suit, alleging license, laches and denying infringement. Metropolitan, further, counter-claimed for a declaratory judgment of invalidity, non-infringement because of license, and noninfringement because of invalidity (R. 13).

## STATEMENT OF THE CASE

In this statement, we shall first provide a brief historical review of the case including the trial proceeding, the decision of the Trial Court, and the proceedings following the Judgment which affect the posture of this case on review.

We shall then proceed to a factual discussion of the invention and the circumstances affecting the issues of validity, infringement and license, with appropriate references to the record.

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\* We shall designate references to the record by the letter "R."; references to the trial transcript by the letters "Tr." preceded by the witness's name if appropriate; references to the trial exhibits by the letters "Exh."; and references to the pretrial depositions by the letters "Dep." preceded by the deponent's name.



## THE TRIAL PROCEEDING

### A. A Brief History of the Case

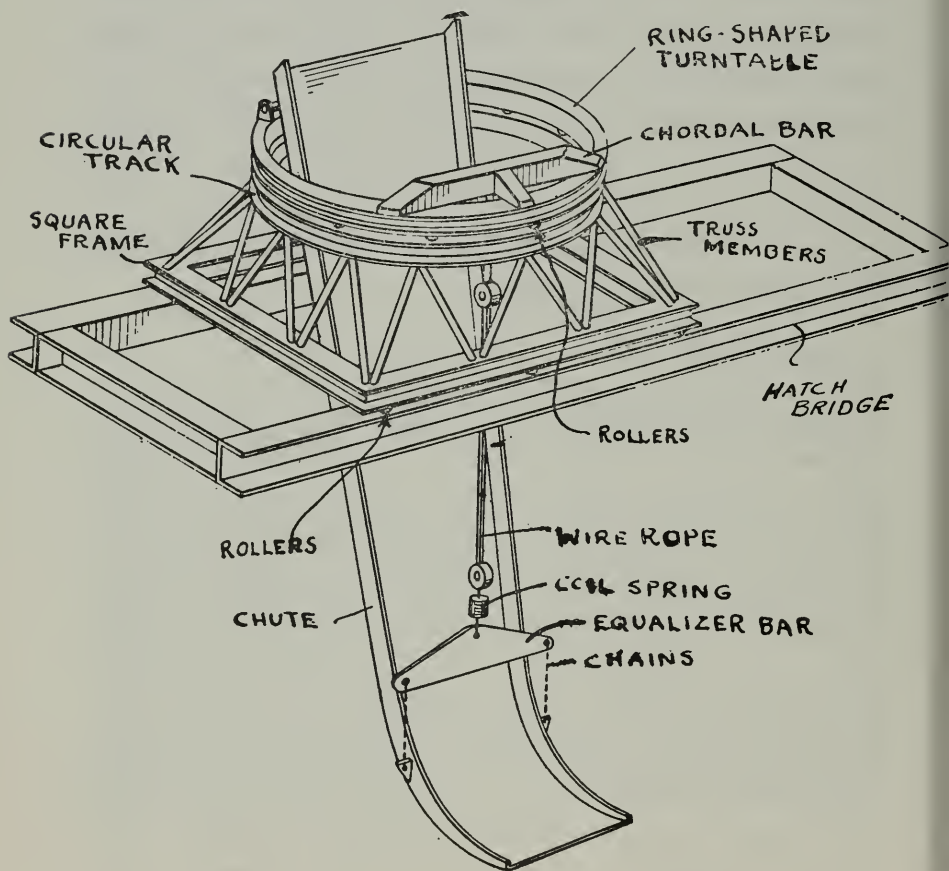
This was not the usual trial because of certain pre-trial events, observations and rulings made by the Trial Judge during trial, and indeed, the opinion itself *vis-a-vis* the issues and adduced evidence. In order that this Honorable Court may have the proper perspective of the trial setting, we shall briefly delineate the relevant circumstances.

The cast of main characters comprises appellant Kierulff, inventor and owner of the patent in suit (the patent (Exh. 1) being directed to apparatus for loading scrap metal into the holds of ships); appellee Metropolitan, one of the largest scrap-loading operators on the West Coast, who admits having copied the patented invention (Tr. 445, 467); and National Metal & Steel Corp., another very large scrap-loading operator in the Los Angeles area, licensee of the patent in suit, former employer of appellant, but a stranger to this action.

#### 1. The patent in suit

Briefly, the patent claims are directed to a combination (diagrammatically illustrated below), comprising a rectangular framework which overlies a ship's hatch opening and is called a hatch bridge; a trolley structure mounted on the hatch bridge and consisting of a square frame, a circular track, truss members rigidly securing the square frame and circular track together, and rollers provided at the underside of the square frame for permitting easy movement along the hatch bridge; a ring-shaped turntable, overlying the circular track, and having rollers for rotation on the track; a chute, extending through the trolley structure into the ship's hold where the scrap metal is to be delivered, the chute being supported at its upper portion

on a chordal bar (i.e., a bar extending chord-wise of the ring-shaped turntable), and the lower portion of the chute being suspended from another chordal bar on the turntable diametrically opposite the first bar; the suspension means for the lower part of the chute absorbs part of the shock of the load impact, i.e., it performs a snubbing function and comprises chains, equalizer bar, hoist mechanism, wire rope and also preferably a coil spring. Successive charges of scrap, which may weigh as much as three thousand pounds and be in a loose or compressed form, are dropped by an electromagnet on the chute and projected from the chute to the far corners of the hold.



The patent issued to appellant December 29, 1959. On January 14, 1960, appellant, in writing, charged appellee with infringement of the patent in suit, and on May 3, 1960, within six months after the issuance of the patent, this suit was instituted.

## **2. Appellee admittedly copies appellant's invention.**

At the time that appellee Metropolitan was notified of infringement, it was using scrap-loading apparatus which was simply and admittedly a copy of the patented invention (Tr. 445, 467). As to the apparatus then in use, infringement is admitted of claims 2 and 3, of the three claims in the patent (R. 310, Par. G).

After receiving the notice of infringement, appellee, in a specious attempt to avoid infringement, removed only the coil spring from the chute suspension means (R. 310, Par. F; Buchholz Dep. 64).<sup>\*</sup> The removal of the coil spring did not affect the snubbing efficacy of the suspension means as the wire rope and other parts performed the snubbing function (Tr. 302, 396; Buchholz Dep. 65, 66, 84). We shall discuss the immateriality of the coil spring later in the Argument section of the brief.

## **3. Motion for Partial Summary Judgment temporarily granted.**

Prior to the trial, appellee Metropolitan moved the Trial Court for partial summary judgment on the ground that the apparatus without the coil spring did not infringe the claims because of file wrapper estoppel (R. 201). The motion was granted by Minute Order on February 27, 1961 (R. 213), notwithstanding the fact that the coil spring is not recited as an element in any of the claims.<sup>\*\*</sup>

---

<sup>\*</sup> Mr. Thagard Buchholz is president and general manager of appellee (defendant below).

<sup>\*\*</sup> In fact, throughout the history of the prosecution of the patent, appellant never presented, cancelled or amended a claim in which the coil spring was recited as an element.

#### **4. District Court's Order on Summary Judgment vacated.**

Appellant filed a motion for reconsideration, together with supporting affidavits (R. 216), which motion remained open until the trial proceeding. During the trial, the Court granted appellant's motion and vacated the previous order granting partial summary judgment (R. 386).

#### **5. The Pretrial Order**

In the pretrial Order (R. 309), the usual patent defenses were specified. They were: (1) invalidity on prior art (appellee relies on 27 U. S. and foreign patents, nineteen of which were cited by the Patent Office); (2) prior inventorship, which was not pressed during trial and apparently dropped; (3) prior knowledge, which was not pressed during trial and apparently dropped; (4) public use; (5) prior sale; (6) file wrapper estoppel; (7) laches; and (8) license.

#### **6. Appellee elects to rely on only two defenses.**

At the outset of the trial (Tr. 21, 22), however, appellee's counsel effectively reduced the number of issues by stating:

"Well, there are two issues really. First, prior public use, and, second, that Mr. Schapiro [President of National Metals], who has been subpoenaed as a witness, of National Metals, owned these inventions at one time and granted a license to defendant in this case to make and use the structures.

"Those basically are the two defenses which we have."

Succinctly, out of the reservoir of defenses, defendant-appellee selected two, namely public use and the equitable defense of license from a stranger, National, who admittedly had no legal title to the patent (Pretrial Order, R. 310, Par. D).

## B. The Trial

### 1. The public use issue

The trial lasted three days, practically all of which time was devoted to the issues of public use, prior art, and infringement. Appellee produced six witnesses and a large number of exhibits in its attempt to prove these defenses which we shall discuss more fully later in the brief. Suffice it to say now, that in regard to its case on public use, one of appellee's witnesses admitted that critical evidence was falsified (Shanley Tr. 200), and further that he delivered certain drawings (offered by defendant-appellee) to appellee's counsel two months prior to trial which in open Court was flatly contradicted by appellee's counsel (Shanley Tr. 201). We shall later discuss other evidence offered by appellee's witnesses which we shall demonstrate, is so inconsistent and contradictory as to tax one's sense of credulity.

Public use is a question of fact (*Elizabeth v. Pavement Co.*, 97 U. S. 126) and it is significant that after hearing all the evidence, the Trial Court stated as follows:

“Mr. Whann, I am satisfied that was experimental use. Unless you want to argue some further, I will give you some time. (Tr. 450).

\* \* \*

“You may argue it if you like, but I am fairly well convinced \* \* \* (Tr. 450) that it was an experimental use, and under the circumstances it certainly couldn't have been private, a great many people had to see it. It wasn't intended to be a public use, in my view, and it was purely an experimental matter (Tr. 451).

\* \* \*

“I just don't like to see you waste so much of your time on this. I am familiar with the decisions on the subject and I am familiar also with the fact that the law requires the clearest and most convincing proof



of a prior public use before a patent can be invalidated upon that ground (Tr. 454).

\* \* \*

“The evidence here is certainly far from clear and convincing to me, of prior public use. Even the time of it is not convincing, clear and convincing.” (Tr. 454).

## **2. The license issue**

Appellant was retained by National Metal & Steel Corp. (National) simply to prepare drawings of a scraploader (Tr. 141; Schapiro, Tr. 173). National’s president testified that appellant was not retained to invent and was under no contractual obligation to assign any rights for inventions to National (Tr. 171).

Appellee’s position on the issue of license is that since appellant was retained by National, his scraploader invention ipso facto became the property of National (a claim never made by National but rather refuted by its actions as we shall later demonstrate) and that National orally gave permission to appellee to use the invention of appellant’s patent. When the Trial Court first heard this theory, it expressed its predilection against the notion of an oral license received from a stranger to the action who had never owned or possessed any transferable rights in the patent. The Court commented as follows:

“I know, but it [oral license] has to be established, it has to be established so clearly—I will try it, of course, but I have never seen a case yet in which the proof was not so conflicting you could say that the burden was met” (Tr. 26).

## **3. The District Court’s holding on license**

The Court held that defendant-appellee obtained a license, but on a theory wholly different from the one urged by appellee. The Court found,

“that, plaintiff, in 1955, granted to defendant an implied license in the nature of a ‘shop-right’, namely, an irrevocable, non-exclusive, non-assignable right to make and use the machine described in the patent in suit.” (R. 388).

The Trial Court, therefore, in its Order did not hold that defendant-appellee obtained a license from a third party, etc., but rather that plaintiff (directly) granted an implied license to defendant in 1955.

The Court’s decision is apparently predicated on an occasion when appellant Kierulff observed a scraploader, corresponding to his invention, in use at appellee Metropolitan’s scrap yard during the latter part of 1955 or the early part of 1956 and did not complain to Metropolitan (Tr. 478). At that time plaintiff had neither a patent, nor even a patent application; he had only an invention.

### **C. Post-Trial Proceedings**

After the Order, we filed a motion for reconsideration (R. 389) which was denied. The Court, however, amended its original Order by stating that the implied license was royalty-free, and that the Court had not found it necessary to reach the issues of validity and infringement (R. 400).

Findings of fact, conclusions of law and judgment were drafted by appellee’s counsel. Objection was made to most of the findings as being manifestly contradictory to the evidence, but were nevertheless signed with minor changes (R. 401).

#### **1. Proceedings before this Court**

An appeal was taken and in due time the Statement of Points on Appeal was filed (R. 432). The Statement included as errors such points as a failure to hold the patent valid and infringed. Appellee moved this Court for an Order striking those points relating to the validity

and infringement of the patent. The motion was denied (*Kierulff v. Metropolitan*, 300 F. 2d 614) and this Court inferentially held, at page 617, that if the evidence is clear and incontrovertible that the patent is valid and infringed, it shall remand with directions to enter judgment for appellant.

We earnestly believe that as to each of the issues presented to the Trial Court, the evidence is clearly and incontrovertibly in support of appellant's position, and we shall address ourselves to that burden. To meet that burden, we shall rely primarily on the evidence offered by appellee.

#### **D. A Historical Sketch of the Invention**

Appellant, Kierulff, engineer by profession, was born in Denmark and educated in Denmark and Sweden. Shortly after World War II, he immigrated to the U. S. and has continued in his endeavors in the engineering profession.

During the year 1955, Kierulff was employed by the Modern Crane & Conveyor Co. (Modern Crane) as an engineer performing routine tasks in the design and construction of cranes and like equipment (Tr. 43). Since his work was of a routine nature, he had no agreement with his employer regarding inventions (Tr. 97).

##### **1. There was a need for the invention described in the patent in suit.**

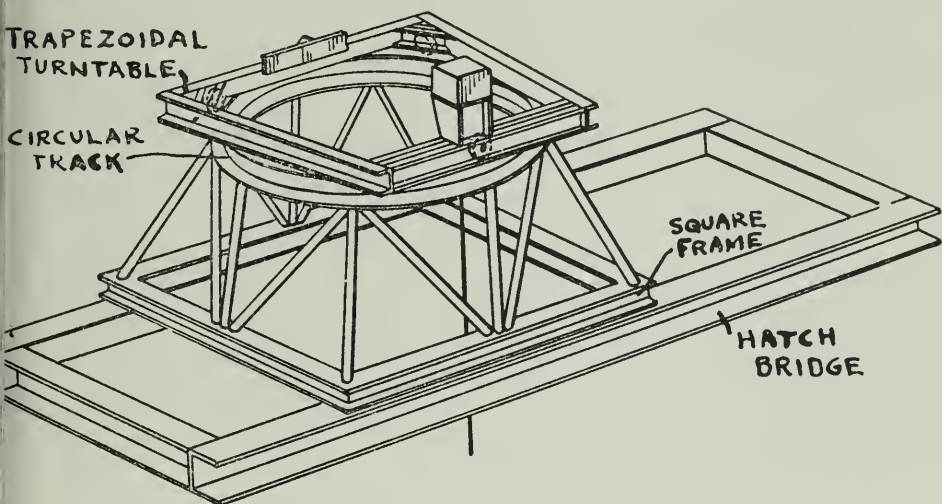
Some time in the late spring or early summer of 1955, Kierulff was invited by National to visit its scraploading yard and to observe the scraploading techniques then in use (Tr. 98), as there was a commercial need for a scraploading device (Schapiro Tr. 170I).

The various problems were discussed with National's shiploading supervisor, Mr. Victor Fabian, and eventually,



Kierulff, as an employee of Modern Crane was asked to produce drawings of a scraploader (Tr. 108).

Kierulff prepared layout drawings of the first scraploader design (Exhs. 9, 10 and 11), which for the convenience of the Court we have diagrammatically illustrated below. An order was placed with Modern Crane for two partial units comprising the hatch bridge, trolley structure, and trapezoidal turntable; National supplied the chute and its suspension means (Tr. 117).



## 2. The "jury rig" was experimental and unpredictable.

Since the scraploader was the first of its kind and its capabilities unpredictable, it was considered experimental (Fabian Dep. 9, 10; Kierulff Tr. 116; Schapiro Tr. 170-VV, 170-WW, 184, 185). National called it a "jury rig" which name we shall use to designate the earliest units equipped with the trapezoidal turntable supported on three rollers.

When it is realized that metal in compressed and loose form weighing between 1,000 and 3,000 pounds is dropped from various heights, hopefully on the chute, it is not difficult to understand why the performance of the first unit was not predictable.

***a. Kierulff retains control of the jury rig.***

Although the jury rig was fabricated partly by Modern Crane, and partly by National, the novel design was entirely Kierulff's (Tr. 112, 114), and Kierulff retained control over all significant design considerations throughout the development of the rig (Tr. 131-135; Schapiro Tr. 170-WW, 170-XX).

Inasmuch as a scraploader is a unique piece of apparatus subjected to conditions not practically reproducible in a laboratory (Tr. 143, 144; Judge Mathes Tr. 453), the jury rig was tested by loading actual scrap into a Liberty ship in June, 1955\* (Tr. 170-G). Neither Modern Crane nor appellant had any facilities for independently testing the jury rig. The jury rig eventually proved to be a tremendous improvement over existing scraploading techniques, but not without first solving many problems which beset the early experiments (Tr. 123; Fabian Dep. 17, 24, 25). For example, during the first scraploading operation, in June 1955, falling scrap damaged the trapezoidal turntable, the unprotected track and certain other parts of the rig (Tr. 131; Schapiro Tr. 184).

As a result of the apparent shortcomings of the jury rig design, certain changes were made pursuant to Kierulff's instructions (Tr. 120, 131-135; Schapiro Tr. 173, 174).

**3. Kierulff recommends a new design.**

The deficiencies in the basic design of the jury rig were sufficiently serious so that after observing the first operation, Kierulff recommended to Schapiro (President of National) that the scraploader be altered in design to eliminate its shortcomings (Tr. 128; Schapiro Tr. 184). Schapiro also observed the first loading and was apparently

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\* The first use of the jury rig was June 1955; the first use of the rig corresponding to the patent was October 25, 1955; the filing date of the patent was October 8, 1956. The nature of the first use of the jury rig is in dispute although the differences in design are not.

satisfied that the jury rig was not a satisfactory commercial scraploader as he entered into an oral agreement with Kierulff (Tr. 140, 141; Schapiro Tr. 170-WW, 170-XX) to purchase drawings of a new design for \$600 (Exh. R).

At the time of this agreement, Kierulff was still in the employ of Modern Crane, however, he was permitted to enter into special consulting agreements for his own profit (Kierulff Dep. 320, 333, 335). It was expected, of course, that apparatus of Kierulff's design would be referred to Modern Crane for fabrication. In this way, Modern Crane would also profit by Kierulff's special agreement.

The new drawings were made during July 1955 (Exhs. 14 through 18, Tr. 145 *et seq.*) and delivered to National with a bill specifying that the drawings were for National's use only (Exh. R, Tr. 170-T). The bill was subsequently paid and an order was placed with Modern Crane (Tr. 151-153) for the fabrication of the hatch bridge, trolley structure and ring shaped turntable. National was to supply the chute, and the chute suspension means including the equalizer bar, chains, and wire rope (Tr. 152—see page 4, *supra*). We shall call the second design of the scraploader the patented or ring-shaped turntable rig (as distinguished from the experimental jury having the trapezoidal turntable rig).

#### **4. First use of scraploader corresponding to patent in suit**

Kierulff terminated his employment with Modern Crane to join National as a monthly salaried employee on October 15, 1955 (Schapiro Tr. 172). One of Kierulff's first duties with National was to procure the missing parts and complete the ring-shaped turntable rig for use (Tr. 156). The first use of that rig was on October 24, 1955\* (Schapiro Tr. 170-SS, Fabian Dep. 34).

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\* Kierulff's patent application was filed October 8, 1956 within one year of the first use (even if commercial) of the patented rig.

## 5. Differences between jury rig and patented rig

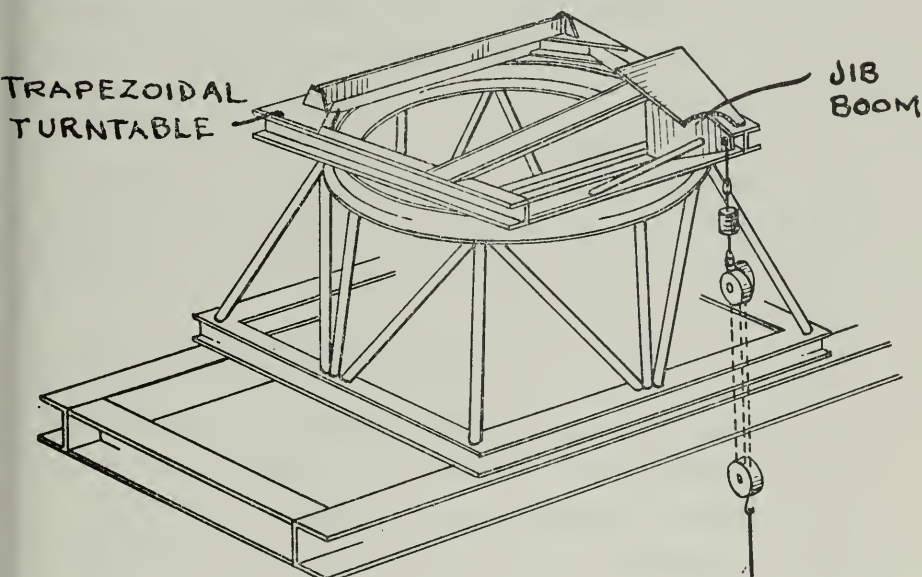
The basic and material differences between the jury rig and the patented rig which were developed as a result of observing the initial experiment of the jury rig reside in the shape of the turntable and the relationship between the turntable and track. For example, in the patented rig the turntable is ring shaped and coextensive with the track. As a result of this shape and relationship, the turntable is supported along its entire perimeter so as to resist bending due to scrap impact. Further, the track is completely sheltered by the overlying turntable so that the track is always protected against fouling or damage by the scrap. The weight of the chute and the weight of the scrap are also more uniformly distributed throughout the entire structure because the diametrically opposite chordal bars are secured to a turntable which is supported substantially continuously over the entire perimeter of the track (Sjogren Tr. 309-312).

The ring-shaped turntable rig with certain changes (Tr. 159) became the commercial design, however, at the time it was designed and placed into operation it constituted just another stage in the development of the scraploader (Schapiro Tr. 170-WW; Tr. 157, 158). Indeed, even the ring-shaped turntable rig was at first called a jury rig (i.e. an experimental rig) until Kierulff was satisfied that it was a commercially feasible design (Tr. 158); that is, after October 24, 1955 and within one year of the patent filing date.

National subsequently purchased five additional units of the ring-shaped turntable type and, of course, continued to use the original jury rigs until they were damaged beyond repair. There is no dispute that the jury rig was the beginning of a revolutionary device and in itself represented a tremendous advantage in savings over the prior techniques (R. 330, Par. 26).



We might mention that even though the original jury rig was a great improvement over the prior techniques, it was basically modified after Kierulff joined National by adding a so-called boom or jib outside the trapezoidal turntable for supporting the lower end of the chute (Tr. 93, 94, Exhs. BD, BJ). We have illustrated the jib construction below, for the Court's convenience. The jib modification is significant, for it too demonstrates a lack of satisfaction with the jury rig and a continuing effort to improve it.



Kierulff was employed by National for approximately one year on a monthly-salary basis; he terminated his employment October 1, 1956 (Schapiro Tr. 172). During his employment he had no contract with National providing for the assignment of the patented invention (Tr. 171).

## 6. Kierulff's patent application

Subsequently, Kierulff applied for patent protection on his novel scraploader and was awarded the patent in suit on December 29, 1959, after a very thorough and careful examination by the Patent Office. The patent examiner

cited nineteen of the most pertinent U. S. and foreign patents against Kierulff's application before allowing the claims in suit.

## 7. Patent Office interference and its legal effect

Schapiro (President of National) became informed of Kierulff's patent application and decided (for reasons which are not relevant here) to file a patent application on the ring-shaped turntable scraploader jointly with Victor Fabian, National's shiploading supervisor, in February 1957. We shall call that application, the National patent application. At the time that National filed its patent application, it requested the Patent Office to set up an interference between Kierulff and National. An interference is an *inter partes* proceeding instituted by the Patent Office to determine priority of invention as between the parties involved (35 U. S. C. §135).

An interference was declared and eventually settled by National assigning its application to Kierulff in exchange for a license to use and to make the patented rigs but for its own use only (Exh. P). In other words, National obtained written confirmation of a "shop-right" which it may have acquired as a result of its prior relations with Kierulff.

In addition to the legal effect of an interference proceeding enhancing the presumption of validity (*The Filtex Corporation v. Amen Atiyeh*, 216 F. 2d 443), the National application and interference settlement are significant for two reasons:

1. *First*, when Schapiro and Fabian executed the patent application they took solemn oath that the scraploader design was not in public use more than one year prior to the filing date of February 1957 (Schapiro Tr. 170-MM; Exh. 24). That placed the critical date in February 1956. By that time the jury rigs had

been used many times and the ring-shaped turntable rig had been used at least once (Oct. 24, 1955). Thus, necessarily, Schapiro and Fabian (as well as Kierulff) believed and understood that the use of the jury rigs and the use of the ring-shaped turntable rig on October 24, 1955, were experimental (Schapiro R. 170-VV, 170-WW).

2. *Second*, the interference settlement is significant because it resulted in a reduction to writing of the legal relationship which the parties believed to have previously existed and which refutes completely the license theory advanced by appellee.

### **E. Metropolitan's Appearance in the History of the Kierulff Invention**

Appellee Metropolitan prior to World War II loaded about 90% of the scrap iron in the Los Angeles-Long Beach Harbor (Buchholz Tr. 228). During the war, an embargo on scrap metal exportation caused Metropolitan to discontinue the scraploading business.

#### **1. The need for a scraploader prevents Metropolitan from returning to the scraploading business.**

After the war Metropolitan was requested by some scrap shippers to return to the scraploading business but declined because of the lack of anticipated profit (Buchholz Tr. 228, 235).

During the latter part of 1954 and early part of 1955 the requests by shippers persisted so that Metropolitan "canvassed the country" in regard to magnets, and "searched the coast" in its effort to find a commercially feasible scraploader (Buchholz Tr. 228, 229). Mr. Buchholz, president and general manager of Metropolitan, testified that he had not seen any scraploader, which he considered satisfactory, to justify a return to the business, *until* he saw Kierulff's jury rig at National (Buchholz Tr. 229, 235; Buchholz Dep. 61).

Buchholz visited National on two occasions in July and August, and he testified that he saw only the jury rigs in operation, but that he discussed the scraploaders with National employees including Fabian (Tr. 242; Dep. 18, 19, 87) when he probably was told of the ring-shaped turntable rig.

After seeing the jury rigs in use, Mr. Buchholz obtained permission from National to send a draftsman from a fabricator named Wilmington Welding & Boiler Works to prepare drawings of the jury rigs.

**2. Metropolitan's evidence is contradictory and self-incriminating.**

The draftsman, Mr. R. Shanley, was produced at the trial and his testimony was most informative. He referred to his diary to confirm his recollection as to dates, and testified that he began work on a scraploader drawing for the first time on August 25, 1955 and first visited National on August 31, 1955 (Tr. 192, 195). Defendant, however, previously offered a drawing illustrating the invention bearing Mr. Shanley's initials (Exh. BL) which showed a date of August 1, 1955! Mr. Shanley could offer no explanation (Tr. 200, 201) for the discrepancy between the date appearing on the drawing (August 1, 1955) and the date when he first began work on any drawing (August 25, 1955). This positive act of falsifying evidence was part of defendant-appellee's plan to pretend knowledge of the ring-shaped turntable rig prior to a visit by Kierulff, as we shall discuss shortly. Suffice it to say now, that this critical Exhibit BL was admittedly falsified and was only the beginning of an onrush of contradictory statements and exhibits from Messrs. Shanley, Ponsen and Buchholz.

For example, Buchholz testified that he saw only the jury rigs at National and requested Shanley to sketch the rigs, yet Shanley returned from National with Exhibit BL



which illustrates a ring-shaped turntable rather than the jury rig trapezoidal turntable. Besides the difference in the shape of the turntable, the dimensions of the component parts illustrated in Exhibit BL correspond to the larger ring-shaped turntable rig and not the jury rig.

Further, Shanley testified that he saw the ring-shaped turntable rig on August 31, 1955 on shipboard (Tr. 196), yet Buchholz (Dep. 87, 88), Kierulff, Fabian and Schapiro testified that the ring-shaped rig was first used on October 24, 1955.\*

Shanley also testified (Tr. 199) that he worked on drawings November 17 through 19, 1955 (Exhs. BO, BP), yet Buchholz testified that Metropolitan had probably received the patented rigs around November 1, 1955 (Dep. 21). Thus, the drawings, which were presumably necessary for the fabrication of the rigs, were still in the process of preparation even after the rigs were built and delivered. This is analagous to an architect first building a house and then drawing the plans.

Finally, when Shanley was asked whether he had retained custody of the drawings offered in evidence, he answered that he had delivered the drawings to defendant's attorney in June 1961. Defendant's attorneys flatly denied ever having received them (Tr. 201). At the close of the case there was no explanation offered for this contradiction between attorney and witness.

Kierulff visited Buchholz during the latter part of August 1955 (Buchholz Dep. 25) and offered to sell Metropolitan a scraploader of the ring-shaped turntable design. The scraploader was described and illustrated in a proposal dated August 23, 1955 which was marked by Kierulff with a "proprietary information" notice (Exhs. AT, AU). The notice, of course, was seen by Buchholz and he testified that he simply filed the proposal away (Dep. 52, 53).

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\* The date October 24, 1955 is consistent with the loading chart Exh. 25.

It will be recalled that the ring-shaped turntable rig was not used until October 24, 1955. In fact, at the time of the offer to sell, the patented rig had not yet been constructed, and therefore obviously not used or tested.

Buchholz placed an order with the Wilmington Welding & Boiler Works for three units of the ring-shaped turntable design on August 29, 1955 (Ponsen Tr. 210), after having seen Kierulff's proposal marked with the proprietary notice. Apparently recognizing the insidious nature of this act, Buchholz or someone acting under his authority, falsified the drawing (Exh. BL) in an attempt to show knowledge prior to Kierulff's visit. Indeed, Buchholz in his pretrial deposition spun a complete story around the falsified drawing. For example, before the purchase order, dated August 29, 1955, came to light, Buchholz had testified that he saw the drawing Exh. BL around August 1, 1955 and that he placed an order with Wilmington prior to Kierulff's visit (Buchholz Dep. 15, 20) all of which we now know to be untrue.

### **3. Metropolitan copies Kierulff's invention which satisfies the need.**

Buchholz considered the jury rig unsatisfactory and testified that he "would never have built one" (Dep. 10). He did, however, possess sufficient business acumen to recognize that the basic differences in the ring-shaped turntable rig would provide a commercially successful device. He, therefore, copied unabashedly, wilfully and deliberately the patented rig (Whann Tr. 467).

Metropolitan had three units built in November 1955 (Buchholz Tr. 246) which included the coil spring in the lower chute suspension means. Kierulff, while still in the employ of National during the latter part of 1955 or early part of 1956, visited the Metropolitan scrap yard and observed the rigs of the ring-shaped turntable design in

operation (Whann Tr. 466). At that time, Kierulff had not yet filed his patent application and, therefore, had no enforceable right. Under the statute, Kierulff was permitted one year to file an application after the first public use, which arguably might be as early as October 24, 1955; i.e., the first use of the ring-shaped turntable. It is recalled, however, that Kierulff and National considered the use on October 24, 1955 as experimental (Schapiro Tr. 170-VV, 170-WW). Kierulff contacted a patent law firm in Los Angeles for the preparation of an application in or about June 1956.

During the succeeding several months, no work was done by the firm, and in September, Kierulff retrieved the invention disclosure and forwarded it to his New York patent attorney with whom Kierulff had previous experience.

The application was then prepared and filed on October 8, 1956 within one year of October 25, 1955, the date of first use. A petition to the Commissioner was promptly filed on or about November 13, 1956 to expedite the prosecution of the application on the ground that Metropolitan was infringing the claims (Exh. A). A petition to the Commissioner is the only course an applicant has to expedite the examination of his application. The petition was granted on January 10, 1957; however, the interference (discussed previously) with the National application delayed the issuance of the patent until December 29, 1959.

Sixteen days after the patent issued, Kierulff charged Metropolitan with infringement. As a result of the charge, Metropolitan, in a specious attempt to avoid the patent, removed only the coil spring from the chute suspension means (Buchholz Dep. 64-66). No other change was made by Metropolitan to the scraploaders. As we mentioned previously, the coil spring was the subject of the motion

for partial summary judgment. We shall discuss the lack of technical and legal significance of the coil spring later in the brief.

## **F. Summary of the Basic Issues**

According to the Trial Court, an implied license arose when Kierulff observed the scraploader of his design, in use, at the Metropolitan scrapyards and did not complain (Judge Mathes Tr. 478). According to appellee's theory, however, it obtained an oral license, not from appellant, but from National on the premise that National had acquired ownership to the invention through its relationship with Kierulff.

The findings of fact and conclusions of law, authored by appellee, mix the two theories together thereby tending to confuse the precise basis of the judgment.

Being mindful of our burden, we shall discuss each theory and endeavor to demonstrate that the uncontroverted facts gleaned from defendant-appellee's evidence compel a legal conclusion favorable to appellant. However, in order that no stone be left unturned, we shall also come to grips with all of the other issues raised by appellee in the Trial Court.

## **SPECIFICATION OF ERRORS \***

### **A. Implied license**

1. The Trial Court erred in holding an implied license, without finding as conditions precedent the validity and infringement of the patent.

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\* The Statement of Points on Appeal as required by Rule 75(d) appears verbatim in Appendix A. In this Specification of Errors we have endeavored to frame the basis for each error more comprehensively, without departing, however, from the spirit or scope of the Statement of Points on Appeal.

2. The Court erred in holding an implied license, i.e., a license by estoppel, because appellant, at the time of seeing his invention being used by appellee, had no enforceible patent right, had not even an inchoate right, and had no duty to complain; further, appellee had not relied on appellant's silence, and had not changed its position in any way whatever.

3. The Court erred in permitting appellee to raise the question of alleged equitable ownership in a stranger to the action; appellant is admittedly the legal and record title owner of the patent.

#### **B. Public use**

4. The Court erred in not holding that the patented invention was not in public use more than one year before the filing date because the jury rig was materially different in design from the patented scraploader.

5. The Court erred in not holding that the use of the jury rig was experimental (rather than public) because appellant retained control over the design considerations of the jury rig and in fact, did make design changes, and further, because the experimental nature of the scraploader was acknowledged by appellant and the customer (National) in documents long prior to the institution of any lawsuit.

#### **C. Prior sale**

6. The Court erred in not holding there was no prior sale within the meaning of the patent laws, because appellant merely offered to sell a special scraploader on a proposal basis before the scraploader had been constructed or used.



**D. Prior art**

7. The Court erred in not holding the patent valid because,

(a) The patented invention solved a problem of such magnitude that appellee had refrained from returning to the scraploading business until it became aware of appellant's invention.

(b) Appellant's invention solved the problem which perplexed the industry, as is evidenced by Metropolitan copying appellant's invention, re-entering the business, and actively pursuing the business since its re-entry.

(c) The invention is a great commercial success.

(d) The patent was granted only after thorough consideration by the Patent Office of the most pertinent art.

(e) Both expert witnesses testified that the claimed combination was novel.

(f) Metropolitan slavishly copied appellant's invention.

**E. Infringement**

8. The Court erred in not holding that the claims were infringed because defendant has admittedly appropriated Kierulff's patented invention, and each of the claims reads directly on the accused apparatus.

**F. File wrapper estoppel**

9. The Court erred in not holding there was no file wrapper estoppel, because there is no necessity to resort to equivalents, because the claims as worded find complete response in the accused apparatus, and because Kierulff never made a representation to the Patent Office which requires a construction other than the ordinary meaning of the claims.

### **G. Damages and attorney's fees**

10. The Court erred in not holding that appellant is entitled to treble damages and attorney's fees, in view of the admitted falsification of real evidence, the contradictory testimony given by Metropolitan's witnesses, the dispute in open court between Metropolitan's counsel and one of his witnesses regarding the veracity of his testimony, and the wilful and deliberate copying of Kierulff's invention.

### **H. Erroneous findings of fact and conclusions of law**

11. Finding No. 6 is erroneous in stating that,

“Modern, on or about June 19, 1955, sold and delivered to National two shiploading structures known as the ‘jury rigs’ and shown in Exhibit AM.”

The evidence is that the jury rigs were only partially constructed by Modern Crane and partially constructed by National (R. 117).

12. Finding No. 7 is erroneous in stating that,

“In July or August of 1955, the ‘jury rigs’ shown in Exhibit AM were modified by the addition of a ‘snubber spring’ and ‘jib boom.’ ”

The evidence is that the jib boom was not added to the jury rig until after Kierulff's employment by National, after October 15, 1955 (Tr. 93, Kierulff Dep. 512).

13. Finding No. 8 is erroneous in stating that

“In July of 1955 National employed Modern to construct an improved design of a shiploading structure. Accordingly, in July of 1955, the first 16 foot structure, which is shown in the patent in suit No. 2,919,042, was sold and delivered by Modern to National.”

The evidence is that only a part of the first 16 ft. structure (ring-shaped turntable rig) was sold and delivered to

National and that a substantial part of the structure was to have been supplied by National. The parts to have been supplied by National were not completed or assembled with those parts supplied by Modern until after Kierulff joined National on October 15, 1955 (R. 152, 156).

14. Finding No. 9 is erroneous in stating that

“in July or August of 1955 National invited T. W. Buchholz, vice-president of defendant, to the National premises to see and observe \* \* \* the 16 ft. structure shown in the patent in suit No. 2,919,042.”

Mr. Buchholz' testimony is that he *never* saw the 16 ft. structure in operation at the National Scrap Yard (Dep. 88, 89). Furthermore, the 16 ft. structure was not even in existence in July or August 1955 (Tr. 152, 156).

15. Finding No. 10 is erroneous in stating that,

“In July or August of 1955, T. W. Buchholz and Ray Ponsen, another employee of defendant, entered the National premises to see and observe the National ship-loading structures shown in Exhibits AM, BD and BE. At the time of said visit, plaintiff was present, knew the nature and purpose of the visit, had the opportunity to inform Messrs. Buchholz and/or Ponsen that he objected to their seeing and observing the said shiploading structures but failed to so do.”

Kierulff had no right or duty to object to the alleged visit of either Messrs. Buchholz or Ponsen because Kierulff was not even an employee of National during the stated times and had no authority over the admission or exclusion of personnel to National's scraploading yard. Still further, exhibits BD and BE illustrate the jury rig with the jib boom which, according to the evidence, did not come into being until after October 15, 1955 (Tr. 93, Kierulff Dep. 512). (See *M'Millin et al. v. Barclay et al.*, 16 Fed. Cas. 302).



16. Finding No. 12 is erroneous for the same reasons urged in support of the objection to finding No. 10.

17. Finding No. 13 is erroneous in stating that

“a few days after the visit referred to in Finding 12 [July or August, 1955], National gave T. W. Buchholz permission to send his fabricators to the National premises to sketch the National shiploading structures shown in Exhibits AM, BD and BE, and shown in the patent in suit No. 2,919,042. At this time National etc.”

The evidence is that the rigs with the jib boom illustrated in Exhibits BD and BE and the patented rig were not in existence during the stated times (Tr. 93, 170-SS). Further, the finding in regard to Kierulff's lack of complaining is founded on a faulty premise. Kierulff had no right or duty to complain because he had no patent or patent application during the stated times. (See *Marsh v. Nichols*, 128 U. S. 605).

18. Finding No. 14 is erroneous in referring to loading structures as illustrated in Exhibits BD, BE and the patent in suit as being in existence during July and August, 1955. The evidence is clearly that such structures were not in existence until after October 15, 1955 (Tr. 93, 170-SS).

19. Finding No. 15 is erroneous in stating that

“at the time of this visit [August, 1955] plaintiff knew of defendant's intent to build three shiploading structures shown in Exhibits AM, BD, BE and in the patent in suit No. 2,919,042, but failed to voice any objection thereto.”

There is no evidence to support the finding that Kierulff knew of Metropolitan's intent to build shiploading structures. Indeed, Buchholz testified that he would never have built a scraploader of the jury rig design, i.e., the design illustrated in exhibits AM, BD and BE (Dep. 10).

20. Finding No. 18 is erroneous in stating that

“at no time during the period July, 1955 to January, 1960 did plaintiff \* \* \* assert any rights in and to said structures.”

Metropolitan did not begin to use the patented structure until November or December of 1955. The evidence is, however, that in August, 1955, Buchholz knew of Kierulff's proprietary rights in the design (Dep. 53).

21. Finding No. 21 is erroneous in stating a conclusion of law. Kierulff was under no duty to complain because during the period prior to the issuance of his patent he possessed no enforceable right. (*Marsh v. Nichols*, 128 U. S. 605)

22. Finding No. 22 is erroneous in that Metropolitan knew that Kierulff claimed proprietary rights to a structure corresponding to the patent in suit. The evidence is that Metropolitan ignored the proprietary notice and willfully and deliberately copied the structure which was later to become patented (Buchholz Dep. 53, Tr. 467).

23. Finding No. 23 is erroneous in stating that

“As a result of plaintiff's acquiescence for a period of four and one-half years, defendant acquired an implied license in the nature of a ‘shop-right,’ namely, an irrevocable, non-exclusive, non-assignable and royalty-free right to make and use the machine described in the patent in suit No. 2,919,042.”

First, the finding is an erroneous conclusion of law. Second, plaintiff did not acquiesce, he simply had no enforceable right until his patent issued.

24. The conclusions of law are substantially repetitions of the findings of fact which are not only unsupported by the evidence, but fly in the face of testimony given by Buchholz. The conclusions of law are therefore based on

faulty factual premises and further are not founded on any acceptable legal theory or doctrine. For example, conclusion of law No. 1 is a restatement of the Trial Court's judgment. Conclusion of law No. 2 states that Kierulff was under a duty to assert his rights. The erroneous nature of this latter conclusion is the primary basis of this appeal.

## SUMMARY OF ARGUMENT

### A. License

(1) A holding of implied license, after hearing evidence on validity and infringement, can have legal significance only if the Trial Court was convinced that appellee was using the patented invention (infringement) and that the patent was valid. If the patent is either invalid or not infringed, a holding of implied license is a futile judicial gesture.

(2) Appellee did not obtain an implied license, or license by estoppel, because at the time appellant observed the scraploaders in use at appellee's scraploading yard, he had no enforceable right and no duty to complain, and appellee did not change his position in reliance on appellant's silence.

(3) Appellee could not have received a license from National (a stranger to this action), because National, at most, had only a personal and non-transferable "shop-right".

a. The defense of equitable ownership in a stranger to the action (National) is not available to appellee.

### B. Public use

(1) The jury rig cannot constitute "public use" as it was substantially different in design from the patented invention.

(2) The jury rig cannot constitute "public use" of the patented invention, as its use was understood to be experimental by the inventor, the customer and others closely associated with the use.

### **C. Partial conclusion of the "basic" issues**

#### **D. Prior sale**

Appellant's mere "offer to sell" to appellee was not a "sale" within the meaning of the patent law, as the offer was based on a "made-to-order" proposal.

#### **E. Prior art**

(1) The patented invention solved a problem of such magnitude that Metropolitan had refrained from returning to the scraploading business until it had seen and copied Kierulff's invention.

(2) The invention is of great commercial success and, therefore, the presumption of validity is strengthened.

(3) The presumption of validity is further strengthened because the patent was granted, only after thorough consideration by the patent office.

(4) The presumption of validity is further strengthened because both expert witnesses testified that the claimed combination was novel.

#### **F. Infringement**

(1) Metropolitan has admittedly appropriated Kierulff's patented invention, and each of the claims reads directly on the accused apparatus.

(2) There is no file wrapper estoppel because the claims read directly on the accused apparatus and equivalents are not relied upon.

## G. Damages and attorney's fees

In view of the admitted falsification of real evidence, the contradictory testimony given by three of appellee's witnesses, the dispute in open court between appellee's counsel and one of his witnesses regarding the veracity of his testimony, and the wilful and deliberate copying of appellant's invention, this case qualifies as exceptional under 35 U. S. C. §§284 and 285.

## ARGUMENT

### A. License

- (1) **A holding of license, after hearing evidence on validity and infringement, can have legal significance only if the Trial Court was convinced that appellee was using the patented invention (infringement) and that the patent was valid. If the patent is either invalid or not infringed, a holding of implied license is a futile judicial gesture.**

The Trial Court held

“that plaintiff, in 1955, granted to defendant an implied license in the nature of a ‘shop-right,’ namely, irrevocable, non-exclusive, non-assignable right to make and use the machine described in the patent in suit.” (R. 388).

This holding was made after the Trial Court had heard all the evidence on validity and infringement and was fully apprised of the various defenses.

By definition, a license is a conveyance of a property right (Patent Licenses by Ellis, 3rd Edition, Section 1). In the instant case, the Trial Court held that the conveyance in 1955 was of a right to use the patented invention. Appellee, since 1955, has used only scraploaders corresponding to the patented rig. If appellant's patent is invalid, it



was *void ab initio* and appellee would have no need for a court-ordained right to use the invention. Further, since the alleged conveyance was not granted by contract, and there was no consideration involved, it must be bottomed (if it exists at all) on considerations of estoppel. One of the considerations is that appellee would be damaged if it were deprived of the right to use the patented invention. Obviously, appellee would be damaged only if it were using the invention. Thus, in finding implied license the Court necessarily concluded that the patent was valid and infringed, *a fortiori*. We are mindful of the Court's language in the amended Order (R. 400) that it had not reached the issues of validity and infringement. We submit, however, that after hearing all the evidence on validity and infringement, a holding of implied license can only be conditioned upon a tacit finding of validity and infringement.

We shall now endeavor to demonstrate that the holding of implied license is without sound foundation in fact or law.

- (2) Appellee did not obtain an implied license, or license by estoppel, because at the time appellant observed the scraploaders in use at appellee's scraploading yard, appellant had no enforceable right and no duty to complain, and appellee did not change its position in reliance on appellant's silence.**

In the latter part of 1955, or the early part of 1956, (the period when the Trial Court held that appellee obtained an implied license) the only event which involved both parties was appellant's witnessing of appellee's scraploaders in operation.

Although the Trial Court offered no reasons for its decision, we surmise that it was founded upon the following observation made by the Court during trial (Tr. 478):



“Would it be your view that a man can stand idly by claiming the invention and seeing others practice it and say nothing and permit them to practice it all the time he is prosecuting the application over a period of years, say, and then come in and hold it infringes it?”

The evidence is that appellant saw the scraploaders in January or February of 1956 (Tr. 466). During that period of time, or for that matter, any other period of time, the parties were total legal (as well as factual) strangers. Appellant never induced appellee to copy his design; appellee copied it for its own profit and, therefore, at its own peril.

A fact of fundamental importance is that appellant, in the early part of 1956, owned only an invention. He had not yet filed his patent application for letters patent, which was filed October 8, 1956. Appellant had no enforceable right, indeed not even an inchoate right, at the time he witnessed the use of his invention. “The discoverer of a new process or trade secret \* \* \* has no exclusive right to it against the public, or anyone who discovers it by fair means \* \* \*.” (*Speedry Chemical Products, Inc., et al. v. The Carter’s Ink Company* (2nd Cir., 1962), 304 F. 2d —.) It is the patent, and only the patent, which vests the exclusionary right in the patentee (35 U. S. C. §154).

The Supreme Court, as long ago as 1888, commented on the *sui generis* nature of patent rights in the case *Marsh v. Nichols, Shepard and Company*, 128 U. S. 605, 612 as follows:

“The patent is the evidence of his exclusive right to the use of the invention; it therefore may be said to create a property interest in that invention. Until the patent is issued there is no property right in it, that is, no such right as the inventor can enforce. Until then there is no power over its use, which is one

of the elements of a right of property in anything capable of ownership. In *Gayler v. Wilder*, 10 How. 477, 493, this subject was to some extent considered, when the court, by Chief Justice Taney, said: 'The inventor of a new and useful improvement certainly has no exclusive right to it until he obtains a patent. This right is created by the patent, and no suit can be maintained by the inventor against any one for using it before the patent is issued.' And again: 'The monopoly did not exist at common law, and the rights, therefore, which may be exercised under it cannot be regulated by the rules of the common law. It is created by the act of Congress, and no rights can be acquired in it unless authorized by statute, and in the manner the statute prescribes'."

Thus, at the times appellant witnessed the use of his invention, he had no enforceable right. It would seem self-evident that in the absence of an enforceable right there could be no duty on appellant to complain. And, if there were no duty, there could be no implied license by estoppel.

In *M'Millin et al v. Barclay et al* (Cir. Ct., Pa., 1871), 16 Fed. Cas. 302, the Court rejected the defense of equitable estoppel based on the use of the invention by defendant and others during the pendency of plaintiff's patent application. At page 307, the Court said,

"I have failed to discover any evidence upon which an equitable estoppel in favor of the respondents can rest. It must necessarily grow out of some declaration or act of the applicant, by which they were induced to believe that they might rightfully or innocently use the invention now claimed by him. If they appropriated it without consulting him, and he was *passive* when he knew it, because he was *powerless* to prevent them, he is not estopped from asserting his right when he is in a condition to enforce it. If they took the risk of using what they did not own, the owner's helplessness then will not shield them from ac-

countability to him now. This is the only effect of the proof; for, although the applicant publicly used his invention after he applied for a patent, he did not intend to abandon it, as has been already shown; and, as he had a clear right so to use it, the law does not presume from that fact that he assented to its use by others. *Ryan v. Goodwin* (Case No. 12,186). Nor is this supposed estoppel invigorated by the fact that invasion of the patentee's rights has been widespread, and that all who may be found in that category may be held liable accordingly. Whoever reaps where he did not sow, wrongfully appropriates what belongs to another, and equity will not stay the hand of the rightful owner of the harvest against him." (Emphasis added.)

In another case in point, *McWilliams Manuf'g Co. v. Blundell* (Cir. Ct., R. I., 1882), 11 Fed. 419, the Court rejected the defense of equitable estoppel, also based on use by defendant. Plaintiff proved that his patent was defective while his invention was being used by defendant and, therefore, he was powerless to complain. The Court said, at page 421,

"The defendant further contends that there has been an acquiescence for years on the part of McWilliams and his assignee in his use of the patent. We must remember, however, that the reissued patent was not granted until March, 1880, and that no prior use under the defective patent can authorize the use of the invention after the issuing of the renewed patent." (Citing cases.)

The age of the above cited cases, and the lack of any new cases, would seem to indicate that the proposition, "there can be no duty to complain where there is no violative right", has been self-evident for many years.

Appellant clearly was under no duty to complain. The existence of a duty, however, is only one element of es-

toppel; appellee must also prove reliance and consequent damage.

There was no proof of reliance or damage. In fact, the opposite was demonstrated. Appellee testified that it initially ordered three rigs of the patented type in 1955 (Tr. 210), and as of the time of this lawsuit it still had only three units in operation. The rigs were ordered prior to appellant's visit to the Metropolitan scrapyards, so manifestly, there has been no change of position in reliance on appellant's silence. Since there has been no change in position, there can be no consequent damage.\*

Thus, accepting appellee's testimony, so that the evidence for consideration may be incontrovertible, the holding of implied license is wholly without foundation in law.

**(3) Appellee could not have received a license from National (a stranger to this action) because National, at most, had only a personal and non-transferable "shop right."**

It is recalled that when appellant invented the jury rig (June 1955), he was employed by Modern Crane. Modern Crane fabricated only part of the jury rig for National (Tr. 117). Appellant at that time was employed as an engineer, performing routine engineering jobs (Tr. 43). There was no employees invention agreement with Modern Crane (Tr. 97).

Appellant invented the patented ring-shaped turntable rig on his own time and at his home (Kierulff Dep. 494). He sold drawings of his invention to National on a fee basis for \$600 (Tr. 141) but restricted the use of the drawings (Exhs. 14-18) to National's use only (Exh. R). National admittedly never bargained for any other rights in

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\* It is also to be recalled that appellant moved diligently by filing a petition in the Patent Office to expedite the prosecution of his patent application after he witnessed the use of his invention.



the invention, illustrated in the drawings, beyond the right to use (Schapiro, Tr. 171, 172).

Three written documents (Exhs. 13, P and R) were offered which evidenced the intention of National and appellant and the rights to which each believed it was entitled pursuant to their relationship.

Exhibit 13 is a letter from appellant to National (mistakenly dated June 2, 1955 instead of July 2, 1955) in which appellant proposed an agreement, whereby he was to receive a fee in proportion to the savings produced by his invention. This proposal was rejected by National (Tr. 140).

Exhibit R grew out of the rejection of Exhibit 13 and represents a bill from appellant to National for the drawings of the ring-shaped turntable rig (Tr. 141). This Exhibit is significant because it indicates appellant's intention that the drawings were for National's exclusive use only. Appellant thereby expressly declared his rights to the design, and, in fact, placed a restriction on the use of the drawings delivered to National. National paid the bill, ostensibly accepting the restriction.

Exhibit P, perhaps more than the other Exhibits, reflects the understanding of the relationship between National and appellant. This is an agreement entered into by National and appellant on July 2, 1959, as part of an interference settlement. The agreement provides National with a license to use, and to make, but only for its own use, the invention of the patent in suit. The agreement, in effect, is a "shop-right" reduced to writing. As a result of the interference proceeding, National acquired positive knowledge of Kierulff's claim to ownership of the invention. If National believed it was the owner of the invention (as contended by appellee) it had full opportunity to bring an action to compel assignment of Kierulff's patent application. National, however, never made claim to

Kierulff's invention but, in contradistinction, settled the interference by assigning its patent application to Kierulff and accepted in return only a written license to use, a license it previously acquired by reason of purchasing the drawings. Thus, National acknowledged appellant's superior and exclusive rights in and to the invention.

Appellee argued below that National owned the invention apparently because appellant was paid for the drawings which illustrated the invention. National, by accepting the restricted license from appellant, manifestly did not share in appellee's sophistry.

The law does not support appellee's contention either. The law is in accord, that in the absence of an express agreement to assign, the employer merely obtains a shop-right, unless the employee was hired specifically to invent. The undisputed testimony on this point is from the employer, Schapiro (Pres. of National), who stated that there was no discussion regarding inventions or their disposition (Tr. 171).

The classic cases on "shop-right" are *Hapgood v. Hewitt* (1886), 119 U. S. 226, and *United States of America v. Dubilier Condenser Corp.* (1933), 289 U. S. 178.

In the *Hapgood* case, the corporation claimed that Hewitt, an employee, made the invention in performance of his employment contract and since he was paid for his labors by the corporation, it was the equitable owner of the invention; a fact situation similar to the one at bar.

The Court held that the corporation obtained only a shop-right and not title to the invention. At 233, the Court said:

"There is nothing set forth in the bill, as to any agreement between the corporation and Hewitt, that the former was to have the title to his inventions or to any patent that he might obtain for them. The utmost that can be made out of the allegations is, that



the corporation was to have a *license* or *right to use* the inventions in making ploughs.”

A similar question was presented to the Court in the *Dubilier* case. At 187, 188, the Court said:

“But a manufacturing corporation, which has employed a skilled workman, for a stated compensation, to take charge of its works, and to devote his time and service to devising and making improvements in articles there manufactured, is not entitled to a conveyance of patents obtained for inventions made by him while so employed, in the absence of express agreement to this effect.”

And at 188-189

“Recognition of the nature of the act of invention also defines the limits of the so-called shop-right, which shortly stated, is that where a servant, during his hours of employment, working with his master’s materials and appliances, conceives and perfects an invention for which he obtains a patent, he must accord his master a non-exclusive right to practice the invention. [Citing cases]. This is an application of equitable principles. \* \* \* But the employer in such a case has no equity to demand a conveyance of the invention which is the original conception of the employee alone, in which the employer had no part.”

See also Robinson on Patents, Section 832.

We have again bottomed our argument on testimony primarily from appellee’s witness Schapiro in order to obviate questions of fact. We submit that under the well settled law, National obtained at most only a shop-right which was incapable of transfer. Appellee, therefore, could not have obtained a license from National.

***a. The defense of equitable ownership in a stranger to the action (National) is not available to appellee.***

It is admitted (R. 310) that appellant is the record owner of legal title of the patent in suit. According to Robinson on Patents, Section 975, equitable interests in a stranger may not be set up in a suit at law to defeat the claims of the record owner of the patent. In particular Robinson says,

“This defence rests upon the doctrine that at law no one can sue for an infringement unless he is a legal owner of the monopoly,—that is, unless he is a patentee, an assignee, or a grantee enforcing his rights within his own territory. Any defects in these legal titles may be taken advantage of under this defence, but equitable interests cannot be set up in a suit at law to defeat the claims of the record owner of the patent.”

This principle was followed in *Graham v. McCormick and others* (Cir. Ct. Ill., 1880), 11 Fed. 859. In that case defendant argued that plaintiff had contracted to assign his rights to a third party named Werdens and, therefore, was without standing to bring the action. The Court rejected the defense, saying at page 865,

“The evidence tends to show that a controversy arose between A. B. Graham and the Werdens as to the contracts of November 25, 1865. The former insisted that the Werdens had not complied with their contract, and from that or some other cause there seems to have been no additional assignment made to the Werdens of any interest in the patent of 1868; and, as already stated, that patent was issued to Graham alone. We think that upon this state of facts, there being no controversy about the validity of the assignment by A. B. Graham to the plaintiff of the patent of 1868, that the plaintiff must be considered as having the legal title

to that patent, and consequently has the right to maintain this suit in his own name. Whatever equities there may be between the parties to the contract of November, 1865, can be adjusted in a controversy between themselves or their legal representatives. We do not think that the defendant can claim that the facts stated constitute a defence to this action."

As we mentioned previously, the Trial Court apparently rejected the defense of an alleged oral license from National, as the decision refers specifically to an implied grant directly from appellant to appellee (R. 388).

### B. Public Use

- (1) The jury rig cannot constitute "public use" as it was substantially different in design from the patented invention.**

The jury rig was used in June 1955, more than one year prior to the filing date of the patent in suit (October 8, 1956).

Our contention is twofold: first, the use of the jury rig was experimental and, secondly, even if the use were considered "public", the design of the jury rig was materially different from the patented rig so as not to constitute a bar. We shall discuss first the differences in the design.

According to 35 U. S. C. §102, a person shall be entitled to a patent unless "*the invention was \* \* \** in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." (emphasis added).

The "invention", of course, means the claimed invention. In other words, the public use which invalidates an invention must be a public use of the very invention patented. (*Cline Electric Mfg. Co. et al. v. Kohler* (7th Cir., 1928), 27 F. 2d 638, 641).

It is recalled that the fundamental differences between the jury rig and the patented rig resided in the shape of the turntable, the manner of supporting the chute from the turntable and the capability of rolling the trolley on the hatch bridge.

The first and most important difference is that the patented rig comprises a ring-shaped turntable, whereas the jury rig employed a trapezoidal turntable. Although, at first blush, the difference may appear trivial, a careful analysis reveals the fundamental and substantial character of this change. We respectfully direct the Court's attention to the searching analytical comparison by Dr. Sjogren in his cross-examination (Tr. 309-312, 364 *et seq.*).

Briefly, by superimposing a ring-shaped turntable on the track, the underlying track is fully protected against falling scrap. In the jury rig the turntable comprised four straight sections in the form of a trapezoid which extended over four arc-segments of the underlying track. The remaining portions of the track were unprotected against falling scrap which often fouled the track and interfered with the rotation of the turntable. Further, the exposed portions of the track were vulnerable to bending when hit by heavy scrap.

In the patented ring-shaped turntable design, the turntable is continuously and uniformly supported along its entire perimeter by a plurality of rollers on the track. In this manner, no section of the turntable is vulnerable to bending or damage by falling scrap. In the jury rig the turntable was supported at only three points for triangular stability. These three points were supported and the remaining part of the turntable simply connected these three points and were unsupported. The unsupported portions, of course, were extremely vulnerable to bending and damage when hit by heavy scrap.

Since the heavy chute is supported on the turntable, in the patented ring-shaped design, the weight of the chute is uniformly transferred throughout the structure by means of the continuous support provided by the coextensive track and plurality of rollers. This uniform distribution of load and shock is extremely important during the travel of the scrap down and off the chute. In the jury rig the weight of the chute was not evenly distributed throughout the structure as the upper part of the chute was suspended on a bar supported by two of the three rollers, and the lower part of the chute was supported from a section of the turntable supported by the third roller.

The shortcomings of the design of the jury rig were sufficiently serious that after Kierulff joined National as an employee, further changes were made to the turntable, such as adding the jib boom (see page 15, *supra*), in an attempt to reduce breakdown time. The trapezoidal design was basically faulty, however, and no further rigs of that design were made again.

Claim 1 expressly calls for a ring-shaped turntable and claims 2 and 3 define the shape by geometric reference, as we shall describe later in the brief.

We shall now consider the significance which the Patent Office, National and Metropolitan attributed to the difference in turntable design.

In regard to the Patent Office, the most pertinent reference cited by the Examiner was Patent No. 2,186,292, to Guhlin et al (hereinafter called Guhlin). The Guhlin patent discloses a circular track and a polygonal (five sided) turntable. Although there are several differences between the Guhlin patent and appellant's invention, a primary difference is in the shape of the turntable. This distinction, therefore, is at least partially responsible for the issuance of the patent in suit.



In regard to National, after seeing the jury rig in operation only one time, it agreed with Kierulff that a different scraploader should be designed, which was not encumbered by the shortcomings of the trapezoidal turntable (Schapiro Tr. 184). The ensuing patented design solved the problems and is the only design in use by National or Metropolitan.

Furthermore, Schapiro (Pres. of National) testified that at the time he filed the National application jointly with Fabian, he believed that the ring-shaped turntable was a major change and a patentable difference over the trapezoidal turntable (Tr. 180, 181). Significantly, his belief that there was a patentable difference was founded on the advice of his patent counsel (Tr. 180).

In regard to appellee, it considered the difference between the trapezoidal turntable and the ring-shaped turntable so important that as an officer, Buchholz testified, he would never have built a trapezoidal rig (Dep. 10); that he would have preferred the old methods (Dep. 10, 11) which, it is recalled, were so unsatisfactory as to have discouraged appellee from returning to the scrap business after the war.

We submit that as a result of the acknowledged differences between the jury rig and the patented rig, there clearly was no "public use".

In a relevant case, *Campbell v. New Idea Arc Light Co.* (S. D., N. Y., 1909), 175 Fed. 115, at 116, 117, the Court made the following comment which is apropos here,

"Did he so permit a public use of the lamp which is the subject of the patent? I think not. The testimony satisfies me that he put out and into public use unsuccessful lamps, which, while resembling in external appearance his patented lamp, did not embody that nice adjustment of parts which is the gist of his patent as obtained."

[See also *Diamond Patent Co. v. S. E. Carr Co.* (9th Cir., 1914) 217 Fed. 400, 405]



Although the jury rig superficially resembles the patented rig, it "did not embody that nice adjustment of parts [the ring-shaped turntable] which is the gist of his [Kierulff's] patent as obtained."

In another pertinent case, *Dowles v. Hooks* (D. C. N. C., 1954), 125 F. Supp. 96, at 99, the Court said:

"Under the patent statutes, 35 U. S. C. §31 [now §102] the public use which invalidates an invention is a public use of the very invention patented."

The very invention patented is the scraploader with the ring-shaped turntable. The ring-shaped turntable rig was not used in any manner, experimentally or otherwise, until October 24, 1955, within one year of the patent filing date of October 8, 1956.

In *Goodwin et al v. Borg-Warner Corp. et al* (6th Cir., 1946), 157 F. 2d 267, a situation similar to the instant one was presented to the Court. The defendant in that action argued that an earlier device of somewhat different design had gone into public use and should, therefore, be a bar to the patent. The Court rejected the defense, saying at page 272,

"The public use which invalidates an invention under §31, 35 U. S. C., 35 U. S. C. A. §31 is a public use of the very invention patented. (Citing cases) Since the integral type clutch plate is not the Daukus invention, the volume of exhibits and the testimony concerning the alleged prior public use of Ahlene and Reed, 1,889,698 do not affect the patentability of Daukus."

In the instant case, appellee's evidence concerns the alleged public use of the trapezoidal turntable and not the patented ring-shaped turntable.

In this argument on the design of the jury rig vis-a-vis the patented rig, there is no dispute regarding the configuration of the designs. We accept the testimony of

defendant's witnesses Schapiro and Buchholz from the viewpoint of presenting to this Court incontroverted evidence. We submit that such evidence considered with the applicable law, can only lead to a conclusion that the patented invention was not in "public use" more than one year prior to the filing date of October 8, 1956.\*

**(2) The jury rig cannot constitute "public use" of the patented invention, as its use was understood to be experimental by the inventor, the customer and others closely associated with the use.**

In order for a "public use" bar to apply, there must be identity between the apparatus in use and the patented invention, and in addition the use must be public as distinguished from experimental. Both requirements must be satisfied for the bar to apply. In the preceding section we endeavored to show the lack of identity between the jury rig and the patented rig. In this section, we shall demonstrate that the use was, in fact, experimental.

At the outset, we would like to review briefly a few essential principles governing public use. First, it is immaterial whether the use is conducted privately or in public, as certain inventions (such as the invention involved herein) do not lend themselves to laboratory experimental use. Secondly, it is immaterial whether a sale was made or profit earned, if the profit or sale is incidental to the experimental nature of the use. It is also important that the inventor maintain control over his invention. We shall cite cases in support of these well known propositions shortly.

The burden of proof is on the party raising the defense, and the Supreme Court has held that the burden requires proof which goes beyond a reasonable doubt.

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\* The first use of the ring-shaped turntable rig was October 24, 1955 (Schapiro Tr. 170-SS).

The classic case on the burden of proof is *Washburn, etc. Co. v. Beat Em All Barbed Wire Co.* (1891), 143 U. S. 275, 285. The Court made the following comment which is characteristic of the testimony given by appellee's witnesses in the instant case. The Court said,

"Indeed, the frequency with which testimony is tortured, or fabricated outright, to build up the defense of a prior use of the thing patented, goes far to justify the popular impression that the inventor may be treated as the lawful prey of the infringer. The doctrine was laid down by this Court in *Coffin v. Ogden*, 18 Wall, 120, 124, that 'the burden of proof rests upon him,' the defendant, 'and every reasonable doubt should be resolved against him. If the thing were embryotic or inchoate; if it rested in speculation or experiment; if the process pursued for its development had failed to reach the point of consummation, it cannot avail to defeat a patent founded upon a discovery or invention which was completed, while in the other case there was only progress, however near that progress may have approximated to the end in view!'"

[See also *Parker v. Stebler et al.* (9th Cir., 1910), 177 Fed. 210, 213, where this Court acknowledged the rule that oral testimony must be so clear and satisfactory as to convince the Court beyond a reasonable doubt. Judge Mathes held that appellee's evidence was not so convincing (Tr. 454)].

We shall now examine the fact situation.

Appellant testified that although the jury rig was used in June 1955, the primary purpose of the use was experimental (Tr. 116, 136). The jury rig was of a new and untried design, and its performance was incapable of prediction (Tr. 116). Because of the nature of scraploading, it was impractical, if not impossible, to test the rig in any way other than actually using it for loading ships (Tr. 142-144).

The rig could not practically have been tested secretly because of its bulk, its location and the manner of opera-

tion. The rig measured about 8 feet high, and the hatch bridge was about 30 feet long and 17 feet across (Exhs. 14-18). When not in use, it was located on the dock, and when desired for use, a crane having a tall boom would lift it, carry it through the air and place it in position on the ship. In addition to the longshoremen on the dock, the ship was usually of foreign origin and the ship's crew, of course, had freedom of the ship and the scrapyard. The rigs, therefore, were necessarily used in view of those in the area (Judge Mathes Tr. 451-453), and to have attempted an allegiance of secrecy from each foreign crew and each shift of longshoremen would have been unrealistic, if not ludicrous.

Thus, the inventor considered the use of the jury rig experimental, even though the rig was sold for profit to National. Since National was the customer, it is of particular significance to examine whether it considered its purchase to be that of an experimental rig.

For enlightenment of whether National understood it was purchasing an experimental rig, we have the testimony of its president, Mr. Schapiro and the shiploading supervisor, Mr. Fabian. Mr. Schapiro testified that at the time the jury rig was purchased, Kierulff and National were investigating the feasibility of the "idea" (Tr. 184). The program of testing was not completed until after use of the ring-shaped turntable rig, and during that period, they "tried this and that and kept trying to improve it" (Tr. 185).

Mr. Schapiro further testified that appellant retained control over the design considerations of the rig during the experimental use (Tr. 170-WW, 170-XX), which continued for a substantial period of time.

Mr. Fabian, the only other person who had intimate knowledge of the problems involved in scraploading and the intended purpose of the jury rig, testified in the pre-



trial deposition that the use was primarily experimental (Dep. 9, 10, 35).

We submit that such testimony clearly and unequivocally establishes the experimental character of the use. It would seem that such testimony is completely dispositive of the issue of public use.

In addition, however, to the uncontroverted testimony of Schapiro and Fabian, there are two independent documents, written by Kierulff and National well in advance of this litigation, which further substantiate that the use of the jury rigs was experimental.

It is recalled that the jury rigs were used in June, 1955, and the ring-shaped turntable rig was used October 24, 1955 (Tr. 170-SS). The first of these documents is the patent application filed by Messrs. Schapiro and Fabian on a scraploader. The first claim of that application read on the jury rig and the second claim was specific to the ring-shaped turntable patented rig (Tr. 179). At the time the National application was filed, Messrs. Schapiro and Fabian took solemn oath that they read and understood the claims and that the subject matter thereof was not in public use more than one year prior to the filing date of the application, which was February, 1957 (Tr. 179, 180). Thus, in effect, both swore that neither the jury rig nor the ring-shaped turntable rig was used publicly prior to February 1956. National, who was the customer of the jury rig and in the best position to know the character of the purchase and use, has stated many times through Schapiro and Fabian, with clarity rarely found in lawsuits, that the use was experimental.

The second document is a letter from Kierulff to a scraploader in Texas (Exh. AR), commenting on the value of the jury rig and stating that it was a "pioneer experiment" (Tr. 136). The letter was written while Kierulff was employed at National, at least four years prior to the inception of this lawsuit.

In regard to such documentary evidence, the law is that statements contained in documents, written prior to anticipation of litigation, are accorded great weight in determining intent. *Well Surveys Incorporated v. McCullough Tool Company* (D. C. Okla., 1961), 199 F. Supp. 374, 396.

On the question of public use, the law is in substantial accord that mere sale or use for profit will not defeat experimental use. For example, in *Reo Motor Car Co. v. Gear Grinding Mach. Co.* (6th Cir., 1930), 42 F. 2d 965, 968 the Court said,

“\* \* \* whether this third defense is good depends wholly on the application of the familiar rule that so long as the use by the inventor, or even sales to the public, can fairly be considered experimental and collateral to the development of the invention in its complete form, the bar does not begin to run. (Citing cases.) We think that it, like other invalidating defenses, should be made out clearly and to the point of conviction; and we see no principle, in the precedents or in the policy of the statute, which would require a valuable invention to be lost by permitting the bar to begin to run while the invention, whether of machine or process, is being gradually improved and developed up to the point of ascertaining whether it has real utility. Nor can it rightly be said that a public use of the developing and incomplete invention—incomplete as finally claimed—can nevertheless operate as the public use bar because adding the final element of perfection did not involve invention as compared with the earlier form to which it was added. Whether a claim has patentable invention is not to be tested by comparing with the patentee’s earlier, unpublished, progressive steps. (Citing case.)

Further, whether the use is conducted in public or private is immaterial as long as the primary purpose of the use is experimental. In *Merrill v. Builders Ornamental Iron Co.* (10th Cir., 1952), 197 F. 2d 16, 19, the Appellate Court for the Tenth Circuit said,



“Whether use of an invention is public or private does not necessarily depend upon the number of persons to whom its use is known. The determinative factor is whether the use is made in good faith for purposes of experiment in testing the qualities and operation of the device or apparatus.”

[See also *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126, 134; and *Research Products Co., Limited et al. v. Tretolite Co. et al.* (9th Cir., 1939), 106 F. 2d 530]

The Courts have also recognized that some inventions are not amenable to laboratory testing and that an actual use is necessary to determine the technical feasibility of the invention. For example, in the case of *Powell v. Pou-pitch* (C. C. P. A., 1948), 167 F. 2d 514, 516, where the invention related to metal fasteners for coupling airplane cowlings, the Court said,

“\* \* \* in view of the strains and vibrations to which parts of an airplane are subjected in use. \* \* \* It would be impossible to determine whether or not a cowling sheet fastener would operate satisfactorily without making tests in actual service.”

In an attempt to carry its burden, appellee tried to show public use by oral testimony. The cast of witnesses it presented was Schapiro, Shanley, Ponsen, Stone and Buchholz.

We have discussed Schapiro's testimony and we submit it clearly supports our position that the use was experimental.

We have discussed Shanley's testimony previously\* and the falsified drawing (Exh. BL) offered during his examination.

It is recalled that Kierulff, Schapiro and Fabian, testified that the first use of the ring-shaped turntable rig was

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\* *Supra*, pages 18, 19, 20.

October 24, 1955 (Schapiro Tr. 170-SS). The testimony came after referring to a shiploading chart (Exh. 25). These individuals are inventor, customer and scraploading supervisor, respectively, and their testimony is based on first-hand knowledge.

In addition to the falsified drawing (Exh. BL), Shanley proffered testimony that he saw the ring-shaped turntable rig on shipboard August 31, 1955. This was flatly contradicted by the testimony of all those witnesses who had first-hand knowledge of the use, and who testified that it was not used prior to October 24, 1955.

The third witness presented by appellee was C. M. Ponsen, vice president of defendant. He testified that during his first visit to National, he accompanied Buchholz, and saw two jury rigs in operation (Tr. 211). Mr. Buchholz contradicted Ponsen, however, and stated that the two devices were not in operation, but rather lying on the ground (Dep. 7, 8).

During his second visit, which was presumably in early August, Ponsen said that he saw the ring-shaped turntable rig in operation (Tr. 213). Although this testimony (as Shanley's) is contrary to the fact, its lack of fidelity penetrates more deeply. For example, Ponsen testified that he observed the ring-shaped turntable rig lying on the ground, observed it so carefully that he took measurements of it (Tr. 213). During trial, he was shown photographs (Exhs. BD, BE) by his attorney and identified the photographs as illustrating the rig which he saw (Tr. 213).

In cross-examination, however, it was revealed that the photographs illustrated not the rig with the round turntable, but the jury rig with the trapezoidal turntable (Tr. 218). Furthermore, the photographs show only the jury rig construction with the jib boom attached, which was not added until after plaintiff joined National, i.e., later than October 15, 1955 (Tr. 93, 94). Thus, Ponsen could not have seen the

ring-shaped turntable rig, and he could not have seen the rig illustrated in the photographs, as neither rig was in existence in August 1955.

The fourth witness, Stone, after hearing the examinations of Messrs. Shapiro, Shanley and Ponsen, admitted only to a vague recollection (Tr. 226).

In substance, that was Metropolitan's case on public use. It is recalled that "public use" is a question of fact (*Elizabeth v. Pavement Co.*, 97 U. S. 126). And, the Trial Judge, after hearing all of appellee's evidence, stated,

"You may argue it if you like, but I am fairly well convinced \* \* \* that it was an experimental use, and under the circumstances it certainly couldn't have been private, a great many people had to see it. It wasn't intended to be a public use, in my view, and it was purely an experimental matter" (Tr. 450, 451).

Although we have commented on the testimony of Metropolitan's witnesses, it was not our purpose to direct our criticism *ad hos homines*. Rather, we wish only to direct the Court's attention to the general character of appellee's evidence on public use. We submit that the probative value of appellee's evidence on public use is negative and that *in toto*, the evidence incontrovertibly compels the legal conclusion that there was no public use of the invention.

### C. Partial Conclusion of the "Basic" Issues

We have now completed our discussion on the two issues urged by appellee as being its basic defenses (Tr. 21). Not knowing, however, whether or not appellee has abandoned its sundry other defenses, we shall make a fair and full disclosure of all the defenses, and discuss the evidence, at least to the extent necessary, to show that it is incontrovertible and in favor of appellant.

### D. Prior Sale

**Kierulff's mere "offer to sell" to Metropolitan was not a "sale" within the meaning of the patent law, as the offer was based on a "made-to-order" proposal.**

On the issue of prior sale, there are no facts in dispute. Kierulff submitted a proposal (Exhs. AT, AU) to Buchholz on or about August 23, 1955, and offered to sell Metropolitan a scraploader corresponding to the proposal. The proposal illustrated a rig of the ring-shaped turntable design.

At the time of the proposal, August 23, 1955, there was no corresponding rig in existence and none had ever been made. A part of the rig, namely, the hatch bridge and trolley, had been fabricated by Modern Crane for National and delivered, but the remaining and essential parts of the scraploader comprising the chute, the lower chute suspension means including the equalizer bar, and the upper chute suspension bar means were not obtained until after Kierulff joined National on October 15, 1955. As previously explained, Kierulff was responsible for completing the rig after his employment by National. The scraploader was first used on October 24, 1955.

The defense of prior sale is another bar defined by 35 U. S. C. §102. According to this section, a patent may be obtained unless,

"the invention was \* \* \* in public use or *on sale* in this country, more than one year prior to the date of the application for patent in the United States." (Italics added)

Prior sale has been uniformly interpreted by the Courts to mean that the invention has been completed, delivered and accepted.\*

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\* A different doctrine has been applied in some Circuits to stock or shelf items, where the invention is completed, on the shelf and available for immediate purchase. An item of this sort is on sale when it is made available for purchase. That doctrine is inapposite here.

A case in point is *B. F. Sturtevant Co. v. Massachusetts Hair & Felt Co.* (1st Cir., 1941) 124 F. 2d 95, 97. In that case, the defendant argued prior sale based on a contract to sell. The Court rejected the defense, saying,

“It is here held ‘that proof of a mere contract to construct from plans and to deliver in the future a machine or manufacture not proven to have been previously completed, falls short of proof that the machine or invention was “on sale”’. In further development the court in the case quoted from above said: ‘The putting “on sale” intended by the statute is more or less analogous to a public use, and has regard to actual and completed transactions, and not to agreements which contemplate both a future production and a future transfer of title.’ And again ‘under the defense that the machine was “on sale,” the burden rests upon the defendant to show that the machine existed as a complete article of sale, not on paper, but in fact. In the absence of such proof, the case is not brought within the statute \* \* \*.’ *McCreery Engineering Co. v. Massachusetts Fan Co.*, 1 Cir., 195 F. 498, 501. To the same effect see *Burke Electric Co. v. Independent Pneumatic Tool Co.*, 2 Cir., 234 F. 93; and also 1 Walker on Patents Deller’s Edition, §85, in which it is said, citing the above cases and others, ‘where a specimen of an invention is built or made to order, it is not “on sale” till it is completed, delivered, and accepted.’ ”

See also *National Cash Register Co. v. American Cash Register Co.* (2nd Cir., 1910), 178 Fed. 79.

### E. Prior Art

- (1) The patented invention solved a problem of such magnitude that Metropolitan had refrained from returning to the scraploading business until it had seen and copied appellant’s invention.**

Our strongest weapon in the arsenal of validity is Buchholz’ testimony that Metropolitan, after the war, had de-



cided not to return to the scraploading business because the "profit wasn't there" (Tr. 228, 235). Buchholz searched the coast for a solution to the problem but found none until he saw Kierulff's invention (Tr. 229, 235, Buchholz Dep. 61). Metropolitan then admittedly copied Kierulff's invention (Tr. 445, 467) and entered the business once again to become one of the largest scrap loaders on the West Coast.

We earnestly believe it would be difficult to find a more favorable testimonial in favor of invention.

The legal effect of copying is now well recognized as persuasive corroborative evidence of invention. *Diamond Rubber Co. of New York v. Consolidated Rubber Tire Co.* (1911), 220 U. S. 428, 441; *The Filtex Corporation v. Amen Atiyeh* (9th Cir., 1954), 216 F. 2d 443, 445; *G. H. Packwood Mfg. Co. v. St. Louis Janitor Supply Co.* (8th Cir., 1940), 115 F. 2d 958, 965; *Colgate-Palmolive Company v. Carter Products* (4th Cir., 1956), 230 F. 2d 855, 862; *Ric-Wil Co. v. E. B. Kaiser Co.* (7th Cir., 1950), 179 F. 2d 401, 404; *Trico Products Corporation v. Apco-Mossberg Corporation* (1st Cir., 1930), 45 F. 2d 594, 598; *Kurtz et al. v. Belle Hat Lining Co., Inc.* (2nd Cir., 1922), 280 F. 277, 281.

The Court in the last mentioned case, *Kurtz v. Belle, etc.*, made an interesting observation which is apropos here. At page 281,

"The imitation of a thing patented by a defendant, who denies invention, has often been regarded, perhaps especially in this circuit, as conclusive evidence of what the defendant thinks of the patent, and persuasive of what the rest of the world ought to think."

**(2) The invention is of great commercial success and, therefore, the presumption of validity is strengthened.**

The two largest scraploaders in the Los Angeles harbor, and probably on the West Coast, are using Kierulff's

invention. National is using the invention under license and Metropolitan is enjoying the benefit of the invention by infringement. In those two scrap yards, the invention has replaced all prior scraploading techniques.

Furthermore, the patented invention is of such great commercial value that even the jury rig (while it operated) saved approximately \$20,000 per shipload as compared to the prior method of scraploading (R. 330). It is interesting to note that if Metropolitan had loaded 50 ships since the inception of this suit (which is a very conservative estimate) it has saved over one million dollars by using Kierulff's invention.

The law is in substantial accord that commercial success is a factor to be considered in evaluating invention. *National Sponge Cushion Co., Inc. v. Rubber Corporation of California* (9th Cir., 1961), 286 F. 2d 731; *Georgia-Pacific Corporation v. United States Plywood Corporation* (2nd Cir., 1958), 258 F. 2d 124, certiorari denied 358 U. S. 884; *Norman v. Lawrence* (2nd Cir., 1960), 285 F. 2d 505; *Reiner v. I. Leon Co.* (2nd Cir., 1960), 285 F. 2d 501.

This presumption is particularly strengthened where the commercial success is a result of the invention satisfying an old or recognized want. (*Kaakinen et al. v. The Peelers Company* (9th Cir., 1962), 301 F. 2d 170)

**(3) The presumption of validity is further strengthened because the patent was granted, only after thorough consideration by the Patent Office.**

The Patent Office cited nineteen U. S. and foreign patents constituting the most pertinent prior art relied upon by Metropolitan (R. 301, 302). Indeed, the one patent singled out by Metropolitan's attorney, although not by its expert, is the patent to Guhlin, No. 2,186,292, which was cited by the Examiner.

To the bulging number of nineteen patents, Metropolitan has added eight more, making a total of 27 patents. In spite of the unusually large number of 27 patents, defendant-appellee's expert witness testified that the claimed combination was novel (Tr. 280). We submit that such testimony vis-a-vis the twenty-seven patents should be an epitaph for this defense.

In *Moon v. Cabot Shops, Inc.* (9th Cir., 1959) 270 F. 2d 539, 541, Judge Hamley, speaking for this Court, commented on the presumption of validity, as follows,

“A presumption of validity arises from the issuance of a patent. The presumption is predicated upon the expertness of the Patent Office acting within its specific field, and can be overcome only by clear and convincing proof. The burden of proof in such cases is upon the party attacking the patent, and reasonable doubts must be resolved in favor of validity.”

See also:

*Patterson-Ballagh Corp. et al. v. Moss et al.* (9th Cir., 1953), 201 F. 2d 403, 406; *Bianchi et al. v. Barili* (9th Cir., 1948), 168 F. 2d 793, 795.

It is also fairly well established that the citation of an inordinate number of prior patents is an admission of weakness. This proposition was stated by the Fourth Circuit Court of Appeals in *Reynolds et al. v. Whiten Mach. Works* (4th Cir., 1948) 167 F. 2d 78, 83. Judge Parker, speaking for the Court, criticized the citation of 21 patents as follows,

“Such a citation of so many prior patents almost always means either that none of them is in point and that the patentee has brought together for the purpose of his invention devices to be found in prior patents of different character, or that there have been prior attempts to solve the problem with which he was confronted which have not met with success. (Citing cases.)”

**(4) The presumption of validity is further strengthened because both expert witnesses testified that the claimed combination was novel.**

On the issue of prior art, appellee relied only upon an engineer named John Ryde who had no previous experience in the field of loading devices (Tr. 265). Indeed, Mr. Ryde, with candor, admitted that he was not skilled in the art to which the patent pertains (Tr. 265).

Yet 35 U. S. C. §103 (upon which appellee relies) reads,

“A patent may not be obtained \* \* \* if the differences between the subject matter sought to be patented and the prior art would have been obvious at the time the invention was made to *a person having ordinary skill in the art to which said subject matter pertains.*”  
(Italics ours.)

Appellee, through Mr. Ryde's admission, offered no testimony which is competent to defeat the patent. We shall not, however, refrain from analyzing Ryde's testimony, as in many respects it is revealing.

Out of the twenty-seven cited patents, Ryde selected two which in his opinion were the most pertinent, namely, the patents to Moore, No. 221,848, and Bradford, No. 619,128, issued respectively in 1879 and 1899 (Tr. 270).

The patent to Moore discloses a derrick having a solid rotating platform. It was not intended as a scraploading device and could not be used as such (Ryde Tr. 274). Apparently, it was relied upon to show that circular rotating platforms were known in the prior art.

A rotating platform, however, is a far cry from the patented scraploader. The attempted analogue was with the ring-shaped turntable. The ring-shaped turntable operates in a unique manner with the remaining part of the scraploader; it serves to support the chute, while protecting the



track, and is shaped to permit the scrap to fall there-through. The pertinency of a reference is determined by its teaching relative to the problems solved by the invention under consideration [*Pointer v. Six Wheel Corporation* (9th Cir., 1949), 177 F. 2d 153, 160, certiorari denied 339 U. S. 911]. According to Dr. Sjogren, the Moore disclosure is completely unlike the patented invention and Moore offers no solution to the problem of loading scrap efficiently and economically, which perplexed both National and Metropolitan for so long (Tr. 323-325).

The Bradford patent was also cited to illustrate a rotating platform, albeit square in shape. Although the Bradford patent is directed to a loading device, it is admittedly for a different purpose and is structurally and functionally unlike the patented scraploader (Ryde Tr. 279). Dr. Sjogren testified that the Bradford disclosure could not possibly be used for scraploading and corroborated Ryde's testimony that the patented scraploader is unlike Bradford's loading device (Tr. 323-325). In view of Ryde's admissions, we shall not belabor the Court by quoting extensively from Dr. Sjogren's analysis of the Moore and Bradford patents and the reasons for their complete lack of relevancy.

It is noteworthy, however, that both patents proffered by Ryde had been available to the trade for more than 60 years. Presumptively, Metropolitan had knowledge of those patents when it decided that the known scraploading techniques were inadequate to justify a return to the business after the war. (A "person" is presumed to be familiar with all the prior art material. Federico, Commentary on the new Patent Act, 35 U. S. C. A. §1 to §110 at p. 21 [1954]; see also *Young v. Watson* (D. C. D. C., 1958), 168 F. Supp. 856, 861). The transition, therefore, from such prior mechanisms to Kierulff's invention was apparently not obvious to Buchholz, a person eminently skilled in the art (Dep. 55), as he remained out of the business



until he saw Kierulff's invention. Patents such as those to Bradford and Moore prompted Judge Parker, in the *Reynolds et al. v. Whiten Mach. Works*\* case, to say,

“Patents for useful inventions ought not be invalidated and held for naught because of such excursions into the boneyard of failures and abandoned experiments.”

We can think of no comment which is more appropriate to the instant situation.

These patents apparently were selected by Ryde because they were not cited by the Examiner. The Examiner, however, cited more pertinent art, as well as patents which disclosed structures similar to Moore and Bradford. For example, the patents to Huston, No. 2,513,726, and Kauffman, No. 2,139,960, cited by the Patent Office, disclose a rotating superstructure on a stationary base which are at least as pertinent as the Moore and Bradford patents (Sjogren Tr. 328).

It is now well established that the presumption of validity is strengthened where the Patent Office made a thorough investigation and cited the most pertinent prior art. *National Sponge Cushion Co. v. Rubber Corporation of California* (9th Cir., 1961) 286 F. 2d 731; *Patterson-Ballagh Corp. et al. v. Moss et al.* (9th Cir., 1953), 201 F. 2d 403, 406; *Georgia-Pacific Corporation v. United States Plywood Corporation* (2nd Cir., 1958), 258 F. 2d 124, 133 cert. den. 358 U. S. 884.

As we previously stated, defendant's witness Ryde testified that the claimed combination was novel (Tr. 280). Dr. Sjogren corroborated Ryde's testimony and added that the ring-shaped turntable was a new element in the novel combination (Tr. 311, 312, 321).

This Circuit has established certain rules in determining

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\* *Supra*, at page 58.

the pertinency of prior art. Perhaps the most complete expression of the rules appears in *The Coleman Company, Inc. v. Holly Manufacturing Company* (9th Cir., 1956), 233 F. 2d 71. Judge Bone, speaking for the Court, said at page 79,

“As far back as 1878 the Supreme Court, in a leading case, pointed out that the separate presence of the elements of a combination in three or four other patents in the prior art does not preclude a finding of invention when these elements are later so combined as to produce *a new or better result*. Judge Yankwich applied this principle in *Kammerer Corp. v. McCullough*, D. C., 39 F. Supp. 213, at page 216. His judgment in that case was affirmed by this Court in *McCullough v. Kammerer Corp.*, 9 Cir., 138 F. 2d 482, certiorari dismissed 323 U. S. 327, 65 S. Ct. 297, 89 L. Ed. 273. In adhering to the principle above noted, the trial judge adopted language found in *Bates v. Coe*, 98 U. S. 31, 48, 25 L. Ed. 68, where the Court says:

“ ‘Where the thing patented is an entirety, consisting of a single device or combination of old elements, incapable of division or separate use, the respondent cannot escape the charge of infringement by alleging or proving that a part of the entire thing is found in one prior patent or printed publication or machine, and another part in another prior exhibit, and still another part in a third one, and from the three or any greater number of such exhibits draw the conclusion that the patentee is not the original and first inventor of the patent improvement.’ ”

The rule of the *Coleman* case was reiterated in *Pursche v. Atlas Scraper & Engineering Co.* (9th Cir., 1962), 300 F. 2d 467, wherein this Court through Judge Koelsch, quoting from the *Coleman* case, said at page 474,

“When the indicia of invention we mention are taken into account together with the true state of the prior art and what the patent in suit accomplished to

improve the art it must be concluded that it represents (patentable) invention.”

Another case in point is *Flakice Corporation v. Liquid Freeze Corporation* (N. D. Calif., 1955), 130 F. Supp. 471, 486. In that case, Judge Murphy held that a wedge-shaped element, although old *per se*, was novel in the ice removal art, and therefore the “*A & P* case does not apply.”

Dr. Sjogren testified that the ring-shaped turntable in a scrap loading device is a novel element (Tr. 311).

See also the *National Sponge* case, 286 F. 2d 731, and *Pointer v. Six Wheel Corp.*, 177 F. 2d 153.

### F. Conclusion on Validity

We respectfully submit, that in view of the outright copying by Metropolitan and the success it enjoyed thereby, the thorough examination by the Patent Office, the self-enervating number of patents relied upon by Metropolitan, the admission that the combination is novel and the tremendous commercial success of the invention, that collectively the evidence incontrovertibly supports the validity of the patent.

### G. Infringement

**(1) Appellee has admittedly appropriated appellant's patented invention, and each of the claims reads directly on the accused apparatus.**

The significant undisputed facts relevant to this issue are:

1. Metropolitan admittedly copied the patented scraploader (Whann Tr. 445, 467).

2. After Kierulff charged Metropolitan with infringement, it removed the coil spring from the lower chute suspension means, leaving the wire rope, chains and equalizer bar to suspend the chute (Buchholz Dep. 64-67).

3. Claims 2 and 3 admittedly read on the accused rig prior to the removal of the coil spring (R. 310, Par. G).

We direct the Court's attention to Exhibit 2 which illustrates in parallel columns the patented rig and accused rig (without spring) separated by claim 1, with lead lines from the claim to the appropriate elements of the rigs. Like colors have been used to designate corresponding parts of the patented and accused structures.

Since claims 2 and 3 are admittedly infringed by the accused scraploader with the coil spring, we shall first discuss the difference in claim 1 to show that claim 1 is also clearly infringed. We shall then demonstrate that the coil spring is not now and never was a limitation in any of the claims which appeared in the application since its filing. Finally, by reference to the testimony of both Mr. Ryde and Dr. Sjogren and to the testimony of Mr. Buchholz, we shall endeavor to demonstrate that all three claims are clearly and unequivocally infringed by the scraploader without the spring.

The literal differences between claim 1 and claim 2 are, claim 1 defines the height of the trolley structure as being "substantially the deck-to-deck spacing of a ship", whereas the height is not specified in claim 2; and, claim 1 expressly states that the turntable is ring-shaped, whereas claim 2 utilizes geometric language to define the shape as we shall explain later.

Since Metropolitan's turntable is obviously ring-shaped, it cannot quarrel with the limitation in claim 1, leaving, therefore, only the limitation of "deck-to-deck spacing" for consideration.

It should be unnecessary to explain how the "deck-to-deck" spacing reads on the accused scraploader since Metropolitan admits to having *measured* and copied the rig

which later became patented. Both rigs are the same size and shape.

However, deck-to-deck spacing defines the height between decks (see *e.g.* Exh. 2). The space between decks constitutes the “hold” of the ship into which the scrap is loaded.

The deck-to-deck spacing may vary on a typical freighter, or from one freighter to another, between 7 and 13 feet (Tr. 356). Both the accused and patented rigs are approximately 8 feet in height.

Since the height between the decks is not a numerically fixed distance, it is prudent to define the distance in terms of well-known ship nomenclature rather than specific dimensions. If, for example, the claim had expressed the height in terms of feet, *e.g.* 8 feet, it would become arguable whether the claim would be avoided by a rig 6 feet in height. In order to obviate such argument, Kierulff chose to define the range of heights by the expression, deck-to-deck spacing, which is well known to those in the art, rather than to express the height quantitatively. According to the rule of this Circuit, a claim is “sufficiently clear” if one skilled in the art is able to reproduce the invention (*Locklin v. Switzer Bros., Inc.* [9th Cir., 1961] 299 F. 2d 160, 166.

See also *In re Wolfenspergar* (CCPA, 1962), 302 F. 2d 950, 954;

*Georgia-Pacific Corp. v. United States Plywood Corp.*, (2nd Cir., 1958), 258 F. 2d 124.

There is no evidence that deck-to-deck spacing is ambiguous or indefinite to those skilled in the art.

The reason why the trolley structure should have substantial height is to permit the chute to be lifted from the lowermost hold to the uppermost hold and yet retain vertical stability. It is apparent that if the trolley structure



were omitted so that the track rested on the square base frame, the chute in the uppermost position would be top heavy and topple over backwards (Tr. 305, 306).

The Patent Office in granting claim 1 to plaintiff tacitly held that the expression "deck-to-deck spacing" read accurately and definitely on the patented rig. Since the accused rig is admittedly a copy of the patented rig, the expression necessarily reads on the accused rig.

It is recalled that Kierulff, upon learning of Metropolitan's scraploaders, filed a petition to expedite the prosecution of his application in the Patent Office on the ground that Metropolitan was infringing his claims (Exh. A, Petition dated Nov. 10, 1956 and affidavit by Roy C. Hopgood dated November 13, 1956). Metropolitan's scraploaders were identified and were mailed with the Petition. After careful consideration of the moving papers, the Patent Office granted Kierulff's petition (Exh. A, official letter dated January 10, 1957). In granting the petition, the Patent Office impliedly found that Metropolitan's scraploaders infringed those claims then pending in the application as a condition precedent to the grant of the petition.\* Application claims 2, 5 and 26 contained the deck-to-deck spacing limitation at the time the petition was granted.

Finally, we have an admission from Metropolitan's witness Ryde that claim 1, except for the snubber, which we shall discuss later, but including the deck-to-deck spacing, reads on the accused scraploader (Tr. 264).

We respectfully submit that all the evidence, i.e., the tacit finding of infringement by the Patent Office proceedings, the testimony from Metropolitan's witness and from appellant's witness, supports the conclusion of infringement of claim 1.

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\* For the convenience of the Court, we have reproduced in Appendix E the Official letter promulgated by the Patent Office and setting forth the requirements for making an application "Special."

Claim 2 and dependent claim 3 define a ring-shaped turntable by means of geometric designations rather than literally as recited in claim 1. For example, claim 2 specifies a circular track, a turntable guided for rotation on the track, a chute suspension bar at one side of the turntable for supporting the upper part of the chute, and means suspending the lower end of the chute from the side of the turntable generally *diametrically* opposite from the suspension bar. The term "diametrically opposite" geometrically employed means the opposite ends of a diameter. For example, Webster's new International Dictionary, 2nd Edition Unabridged, defines "diametrically" as follows:

"along the diameter; with diametrical directness; as, to measure diametrically."

Further, the statement of invention appearing in the patent at column 2, lines 14 through 33, refers to a ring-shaped turntable.

Claim 3 adds another geometric reference in further definition of a ring-shaped turntable. In claim 3, line 2, it is stated that the suspension bar extends *chordwise* at one side of the turntable. Since a chord, by definition, intersects an arc at two points, and since the arc has been defined in terms of a diameter, the shape is necessarily of ring-shaped configuration.

In column 3, lines 5 through 9 of the patent, it is explained that the upper end of the chute 27 is adjustably supported on a pivot bar 28 spanning a small chord on one side of the turntable 25 and shown in Fig. 3 to be secured at both ends in suitable supporting brackets 29. As shown, the suspension bar intersects the ring-shaped turntable at two points, thereby defining a chord.

In regard to the rig without the coil spring, it is identical in all respects with Metropolitan's original scraploaders except that the coil spring and only the coil spring, has

been removed (Buchholz Dep. 64-67). If defendant is successfully to avoid liability, it must find refuge in the removal of the coil spring.

It is now axiomatic in patent law that infringement is made out where the accused device is substantially the same in structure, function and result as the patented invention (69 C. J. S. §290).

The purpose or result of both devices is, of course, identical; that is, to deliver scrap into all reaches of a hold simply by rotating the chute-carrying turntable.

The function is the operation of the structure defined by the claim. In Exh. 2 we endeavored to show how the elements of claim 1 read on the accused scraploader.

Manifestly, no one of the claims recites a coil spring. Appellee's contention, however, is that the coil spring must be read into the clause (last clause in claims 1 and 2) calling for "snubber means suspending the lower end of the chute, etc." We shall demonstrate that there is no basis for such contention in fact or law.

The lower chute suspension means is described at column 3, lines 18 through 33 of the patent, and colored blue in Exh. 2. It comprises a differential mechanism such as a strong back, whiffletree or beam (lines 19-20), chains connecting the beam to opposite sides of the chute (line 21), a snubber which *may* be a spring or dashpot (line 28), an adjustable hoist mechanism, and a wire cable or wire rope illustrated in Figs. 1 and 2 of the patent drawing (Exh. 1) extending between the coil spring and hoist mechanism. Thus, the specification suggests that the snubber may be a spring; it does not state or imply that the spring is critical or, indeed, even necessary. We submit that a fair interpretation of the description is that the chute suspension means performs a snubbing function, and as a suggestion one might use a coil spring or any other device capable of snubbing the shock to which the rig is subjected.

Since the claim limitation, "snubber means suspending the lower end of said chute from the side of said turntable generally diametrically opposite said bar," was the cause of some concern in the Trial Court, we shall discuss it in detail to show the following:

1. That the claim limitation defines suspension means capable of performing a snubbing function;

2. That Metropolitan's lower chute suspension means without the coil spring, performs a snubbing function; and

3. That all those witnesses, including Metropolitan's, who saw both the accused rig without the spring and the rig with the spring, testified that one operated the same as the other and the coil spring made no difference whatever.

The subject limitation can perhaps best be analyzed by assuming, *arguendo*, that the word "snubber" is not present. The limitation would then read "means suspending the lower end of said chute from the side of said turntable generally diametrically opposite said bar." There can be no dispute that such limitation would then read on the hoist, wire rope, equalizer beam and chains in the accused scrap-loader, and on the same parts plus the coil spring in the patented scraploader. The limitation would necessarily read on those several parts as they collectively constitute the suspension means.

By adding the word "snubber", a characteristic of the suspension means has simply been specified; that is, the suspension means must be capable of performing a snubbing function.

Appellee, however, in the Trial Court urged that the limitation must be construed to mean the coil spring. First, since the suspension means necessarily comprises several parts, there can be no basis for such contention. Further-

more, if the snubber means were construed to mean the coil spring, the sense of the clause would be vitiated, for it defines the snubber suspension means as extending from the turntable to the lower part of the chute; manifestly the coil spring does not extend from the turntable to the chute, whereas the several components collectively constituting the suspension means do.

The word "snubbing" means to absorb, and in the context of the chute suspension system, "snubbing" means to absorb by elongation. Dr. Sjogren, a former professor of M.I.T. and truly an expert in this field (Judge Mathes Tr. 292) testified that a steel wire is an excellent spring (Tr. 301). Since the wire rope of the suspension means consists of a plurality of steel wires, which effectively constitute a spring, the coil spring is actually superfluous (Tr. 302). He also described a snubber as an element for absorbing shock, which is fully accomplished by the wire rope in both scraploaders (Tr. 352).

Dr. Sjogren was one of the two witnesses, who testified on the issue of infringement, and who saw both the patented and accused rigs in operation (Tr. 293). He stated that the suspension system of both rigs operated exactly the same way. He also observed in both suspension systems the stretching or elongation of the wire rope in absorbing the shock (Tr. 352).

Mr. Buchholz, the only other witness who saw both rigs in operation corroborated Dr. Sjogren's testimony regarding the uselessness of the coil spring (Dep. 64-66, 84\*). He testified that the scraploader performed "just as well without the spring snubber" and that "the spring was un-

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\* Mr. Buchholz's answer on Dep. 84 removes any doubt as to the utter uselessness of the coil spring. He said:

"What I meant on this question—this answer was that it made no difference whether or not we had a spring in there or whether we did have a spring in there, the operation went on \* \* \*. *It didn't make a damned bit of difference.*" (Emphasis ours.)



necessary.” When it is realized that defendant relies only on the removal of the spring to avoid infringement, we submit such testimony from defendant’s president is tantamount to an admission of infringement.

Mr. Ryde did not observe the patented rig; however, he did observe the accused rig and testified that the wire rope elongated (Tr. 266, 267).

We respectfully submit that all the credible evidence establishes incontrovertibly that the wire rope performs a snubbing function, indeed, according to Buchholz, just as efficaciously as the wire rope and coil spring combination. Thus, as a matter of fact, infringement is made out, whether or not the coil spring is present.

The law on the question of infringement as raised in this case is controlled by *Graver Tank & Manufacturing Company, Inc. v. Linde Air Products Company* (1950), 339 U. S. 605, 607;\* *Continental Paper Bag Company v. Eastern Paper Bag Company* (1908), 210 U. S. 405; and *Stearns v. Tinker & Rasor* (9th Cir., 1957), 252 F. 2d 589, 597, cert. den. 350 U. S. 830.

In the *Graver* case, the Supreme Court said,

“In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim infringement is made out and that is the end of it.”

The language of all the claims clearly reads on the accused scraploaders. If the *Graver* rule is applied “infringement is made out and that is the end of it.”

In the proceeding below, Metropolitan argued that the “coil spring” suggested in the specification should be implied into the snubber means limitation in the claims. We

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\* For the convenience of the Court, we have quoted several pertinent pages from this decision in Appendix C.

previously explained that there was no basis for such implication either in fact or logic, we shall now demonstrate that there is no basis for such implication in law.

The leading case on this point is the *Continental Paper Bag Co.*, 210 U. S. 405, 418, 419. In that case, the Supreme Court observed that under the patent laws (now 35 U. S. C. §112) the patentee is required to describe a preferred embodiment of his invention, and held it would be inequitable to penalize the patentee by restricting his coverage to the one specific embodiment. The Court said,

“We think it is clear that the court considered that Liddell sought to comply with §4888 of the Revised Statutes. In other words, he filed a description of his invention, explained its principle and the best mode in which he ‘contemplated applying that principle,’ and did not intend to give up all other modes of application. An inventor must describe what he conceives to be the best mode, but he is not confined to that. If this were not so most patents would be of little worth. ‘The principle of the invention is a unit, and invariably the modes of its embodiment in a concrete invention may be numerous and in appearance very different from each other.’ Robinson on Patents, §485. The invention, of course, must be described and the mode of putting it to practical use, but the claims measure the invention.”

In the *Stearns* case, 252 F. 2d 589, 596, this Court extended the rule of the *Continental Paper Bag* case by holding that it is also improper to imply limitations from the drawings or from narrower claims into the asserted claims. For example, this Court, through Chief Judge Stephens, adopting the language of the Tenth Circuit Court of Appeals in *Chicago Pneumatic Tool Co. v. Hughes Tool Co.* (10th Cir., 1938), 97 F. 2d 945, said:

“Neither is it necessary that every embodiment be illustrated by the drawings unless the form of the de-

vice is the principle of the invention. Where the particular form is not an embodiment of the principle of the asserted invention, the patent is not restricted to the exact form of construction shown in the diagrammatical drawing. And a device infringes if it embodies the essential principles taught by the patent, even though there is a departure from the drawings to the extent of simple changes which would be readily conceived and made by a mechanic in the course of constructing a device on the patent.” (Cases cited.)

We think the above quotation is particularly applicable to the instant case. The invention of the Stearns patent is not solely the ‘means’ used to ‘push’ or ‘roll’ the coiled spring electrode. Rather the novelty of the Stearns invention is that the spring electrode is caused to roll along the member to be tested, while maintaining electrical contact with the high voltage test circuit.”

In the instant case, the coil spring is not mentioned in any of the other claims, it was never proffered as an element of novelty or even as a necessary element; it is merely suggested in the specification as a suitable snubber.

This Court has repeated many times its disapprobation of minor changes to avoid infringement where the invention had been appropriated. For example, in *Ry-Lock Company Ltd. v. Sears Roebuck & Co.* (9th Cir., 1955), 227 F. 2d 615, 618, certiorari denied, 350 U. S. 987, this Court held infringement notwithstanding minor departures from the patented invention.

In *The Filtex Corporation v. Amen Atiyeh* (9th Cir., 1954), 216 F. 2d 443, 446, rehearing denied, this Court held that a difference is immaterial where the device functions the same way to accomplish the same result. In the case at bar, Buchholz testified that the removal of the spring made no difference whatever in the operation of the device (Tr. 84).

In *Bianchi et al. v. Barili* (9th Cir., 1948), 168 F. 2d 793, this Court held at page 799,

“\* \* \* the specification and the claims of a patent are not to be construed with legalistic rigidity. Here, as elsewhere in the law, ‘the letter killeth, but the spirit giveth life’.”

At page 801,

“It [infringement] is a question of substance, and not of nomenclature. It is not to be settled by striving to ascertain the difference between tweedledum and tweedledee.”

And at page 802, quoting from another case,

“One does not escape infringement by providing a single element [wire rope] which fully responds to a plurality of elements [wire rope plus spring] in the patent.”

In *Pointer v. Six Wheel Corp.* (9th Cir., 1949), 177 F. 2d 153, certiorari denied, 339 U. S. 911, this Court found infringement and quoted testimony which is almost an exact parallel of Buchholz’s testimony. At page 162,

“Indeed, the appellant’s own plant manager admitted, at the trial, that the accused structure ‘does not differ at all from the Knox structure. In operation they are alike’.”

See also *Ransburg Electro-Coating Corporation v. Proctor Electric Company* (D. C. Md., 1962), 203 F. Supp. 235, 258, wherein the Court held that where,

“The inventive ideas of plaintiff have been appropriated; supplementation or modification, even if an improvement, will not avoid infringement (citing cases).”

**(2) There is no file wrapper estoppel because the claims read directly on the accused apparatus and equivalents are not relied upon.**

In the trial proceeding, as in the motion for partial summary judgment, appellee urged the defense of file wrapper estoppel. Appellee argued that plaintiff, during the prosecution of the application, cancelled broader claims than appear in the patent and, therefore, the patent claims should be construed to imply the limitation of a coil spring. The conclusion, in addition to being a *non-sequitur*, is based on a premise (i.e., the cancellation of broad claims) having no legal significance. There is no doubt that plaintiff cancelled broader claims, but such act is without legal effect or prejudice *unless* plaintiff is attempting to recapture what he previously cancelled.

By way of hypothetical example, if appellant, in an effort to overcome a Patent Office rejection, had amended the claim to recite "snubber means including a *coil spring*, etc.", then there would be substance to an argument of file wrapper estoppel. In such example, the law would estop appellant from enlarging the scope of his claim by excluding the coil spring, when it was specifically added to obtain the allowance of the claim.

The instant situation, however, is wholly unlike the hypothetical example. The asserted claims are expressly not limited to a coil spring; plaintiff was never required to add such a limitation to obtain the allowance of claims; plaintiff does not rely on the doctrine of equivalents to enlarge the scope of the claim in any respect whatever; and, the claims read specifically on the accused scraploaders.

In *Edward Valves, Inc., et al. v. Cameron Iron Works, Inc.* (5th Cir., 1961), 286 F. 2d 933, 942, 943, the Court held that there can be no estoppel, notwithstanding the cancellation of broader claims, where the asserted claims read on the accused structure. [See also *Kennedy et al. v.*



*Trimble Nursery Land Furniture, Inc.* (2nd Cir., 1938), 99 F. 2d 786, 788.

After hearing all the evidence, the Trial Court apparently was convinced that the defense of file wrapper estoppel was not applicable, as Judge Mathes vacated his prior order granting the motion for partial summary judgment which was based on file wrapper estoppel (R. 386).

#### **H. Damages and Attorneys' Fees**

**In view of the admitted falsification of real evidence, the contradictory testimony given by appellee's witnesses, the dispute in open court between appellee's counsel and one of his witnesses regarding the veracity of his testimony, and the wilful and deliberate copying of appellant's invention, this case qualifies as exceptional under 35 U. S. C. §284 and §285.**

It is recalled that appellee urged public use as one of its two basic defenses. Indeed, at least two days of the trial were devoted to the defense and rebuttal of public use. Appellee produced four witnesses (Buchholz, Ponsen, Shanley and Schapiro) to testify in regard to the defense of public use.

Needless to say, appellant's attorneys spent weeks of time investigating and studying the fact situation bearing on that issue, including a week in California at the offices of appellee's attorneys for pretrial depositions. We spent additional weeks researching the law to ascertain the baselessness of appellee's defense.

At the trial, for the first time, we learned that the now infamous drawing (Exh. BL), which appellee held out as its cornerstone of the public use defense was falsified.

The false date, August 1, 1955, was obviously placed on the drawing in support of Buchholz's testimony that he had seen the drawing Exh. BL prior to Kierulff's visit on August 23, 1955. Since Shanley testified that he first

began work on the drawing Aug. 25, 1955 (Tr. 192), it was impossible for Buchholz to have seen the drawing Exh. BL prior to Kierulff's visit. Indeed Buchholz received the proposal (Exhs. AT, AU) with the proprietary notice on or about August 23, 1955, and apparently it was this proposal with the proprietary notice which motivated the false testimony and false drawing.

Actually, since we are not complaining of a violation of confidential disclosure, whether Buchholz received the proposal (Exhs. AT, AU) before or after Shanley's drawing Exh. BL is of little moment. It is significant, however, on the issue of attorneys' fees and damages that appellee based its entire defense of public use on such false evidence, as well as the testimony of Ponsen which flies in the face of the documentary and factual evidence.

In the absence of such falsified evidence, there would have been no issue of public use, the trial would not have lasted more than one day and appellant would have been spared the very substantial expense of preparing to meet this spurious defense. In equity and good conscience appellant should be reimbursed for such needless expense.

The award of treble damages and attorneys' fees is further justified when the above-described conduct is considered with the following:

1. The courtroom contradiction between Shanley and appellee's attorneys (Tr. 201).

2. The astounding testimony that Shanley and Ponsen *saw* the ring shaped turntable in August 1955 (Tr. 198, 213), when Kierulff, Schapiro and Fabian who had first-hand knowledge of the use testified that the first use was Oct. 24, 1955. The date of Oct. 24, 1955 was confirmed by the loading chart Exh. 25.

3. Shanley's testimony that he was still working on drawings on November 19, 1955 (Tr. 199) con-

sidered with Buchholz's testimony that the rig was already delivered around November 1, 1955 (Dep. 21).

4. Outright and slavish copying of appellant's invention (Tr. 445, 467).

It is indeed ironical that Metropolitan should strive so hard by such suspect means to undermine appellant's rights, when it was precisely appellant's invention that resuscitated Metropolitan's scrap loading business which had lain in financial comatose for so many years.

### CONCLUSION

We respectfully submit that the Trial Court erred in holding that Kierulff granted Metropolitan an implied license. The decision was wholly without support in fact or law. Not a single authority cited either by the Trial Court or by appellee in its Findings and Conclusions supports the decision. The law, logically and correctly, supports the conclusion that appellant had no enforceable right in 1955, had no duty to complain, and should not now be penalized by Court fiat for failure to perform a legally meaningless act.

Our case on the issues of validity and infringement has been proven largely by the testimony from Metropolitan's witnesses. According to the Supreme Court in *Eibel Process Company v. Minnesota & Ontario Paper Company* (1923), 261 U. S. 45, 53, a case made out through the mouths of opposing witnesses is a strong case. At page 53, the Court said,

"The plaintiff's case as presented on the record is largely the presumption of validity and novelty attaching to the patent and such evidence as comes from defendant's witnesses. A case that can be made out in all its elements by cross-examination of opposing witnesses is a strong case."

On the issue of public use, it is recalled that Metropolitan's witness Schapiro testified that in his opinion and the opinion of his patent lawyer, the ring-shaped turntable rig was patentably different from the jury rig; and, further, that the use of the jury rig and the first use of the patented rig were experimental (Tr. 170-VV, 170-WW, 180).

On the issue of a license from National, Schapiro entered into a licensing arrangement with appellant, whereby Schapiro obtained only the equivalent of a shop right (Exh. P). National, therefore, had no transferable right.

On the issue of prior sale, Buchholz testified that appellant submitted a proposal bearing a proprietary notice and offered to sell equipment based on such proposal (Dep. 29). The proposal was rejected and no sale was consummated.

On the issue of prior art, Buchholz testified that appellee had refrained from returning to the scraploading business because the known techniques (which included the primary references relied upon by appellee) for scraploading were not profitable (Tr. 228, 235). However, appellee returned to the business after seeing and copying appellant's invention (Tr. 235, 445, 467).

Metropolitan's witness Ryde testified that the claimed combination was novel (Tr. 280) and the most pertinent prior art was incapable of performing the purpose of scraploading (Tr. 274, 279).

On the issue of infringement, Metropolitan admits infringement of claims 2 and 3 as they read on the scraploader with the coil spring. As to the limitation of "deck-to-deck spacing" appearing in claim 1, Ryde testified that the *only* difference between claim 1 and the discussed scraploader is that claim 1 includes a snubber (Tr. 264). Thus, he admitted that defendant's scraploader responded to the "deck-to-deck" limitation.

After Metropolitan removed the spring, Buchholz testified that the rig worked just as satisfactorily without the coil spring and that the coil spring was "unnecessary" (Dep. 65, 66, 84). The accused and patented rigs are identical in terms of structure, function and result.

We respectfully submit that the Trial Court's decision on the question of implied license should be reversed; and

This case should be remanded with directions to enter judgment for the appellant on the ground that the evidence clearly and incontrovertibly supports the conclusion of validity and infringement.

New York, N. Y., August 31, 1962

Respectfully submitted,

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## APPENDIX A

### Verbatim Statement of Points on Appeal

#### VALIDITY

1. The District Court erred in failing to rule on the issues of validity and infringement.
2. The District Court erred in failing to hold that the invention defined by claims 1, 2 and 3 of the patent in suit No. 2,919,042 admittedly satisfied a long felt want in the industry and the statutory presumption of validity was therefore strengthened.
3. The District Court erred in failing to hold that the statutory presumption of validity was further strengthened as a result of defendant having copied the patented invention.
4. The District Court erred in failing to hold that the statutory presumption of validity was further strengthened as a result of defendant admittedly staying out of the business of metal scrap loading, for reasons of lack of profit, until defendant saw and copied the patented invention, and since using the patented invention has become one of the largest scrap loaders on the West Coast.
5. The District Court erred in failing to hold that as a result of the substantial commercial success of the patented invention, the statutory presumption of validity was further strengthened.
6. The District Court erred in failing to hold that the statutory presumption of validity of claims 1, 2 and 3

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of the patent in suit was further strengthened as a result of an extensive patentability examination rendered by the Patent Office, and by a successful termination of an interference proceeding in which the patent application was involved.

7. The District Court erred in failing to hold that the statutory presumption of validity was strengthened as a result of defendant having cited no art more pertinent or even as pertinent as that cited by the Patent Office.
8. The District Court erred in failing to hold that claims 1, 2 and 3 of the patent in suit were valid since the expert witnesses of both parties testified that the claimed combination was novel and that an essential element in the combination was also novel.
9. The District Court erred in failing to make a positive ruling that claims 1, 2 and 3 of the patent in suit were not invalid for public use, particularly since at the conclusion of the trial the District Court stated that the defense of public use had not been proven.

## INFRINGEMENT

10. The District Court erred in failing to hold that the accused device infringed claims 1, 2 and 3 of the patent in suit since the accused device and the patented device are identical in all essential details, and particularly since defendant admits copying the patented device.

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IMPLIED LICENSE

11. The District Court erred in failing to hold that no license of any kind, implied or otherwise, had been granted by plaintiff to defendant.
12. The District Court erred in failing to hold that there had been no fiduciary, trust, or business relation of any kind between the parties in 1955, that the parties were strangers to each other, and that plaintiff performed no act upon which an implied license could be predicated.
13. The District Court erred in failing to hold that the following admitted facts defeat any implied license:
  - a) That at a time prior to defendant's purchase of the accused equipment, defendant was directly notified of plaintiff's proprietary interest in the equipment;
  - b) That notwithstanding such notice, defendant had made and placed into operation 4 units of the accused equipment;
  - c) That at the time defendant placed the accused equipment into operation, plaintiff had not yet filed his application for Letters Patent;
  - d) That at the time plaintiff observed the accused equipment at defendant's premises, plaintiff had not yet filed an application for Letters Patent;
  - e) That since plaintiff had no patent (nor even a patent application) but merely an invention, at the time he observed the accused equipment, he had no enforceable property right upon which he



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could base a complaint (*Brown v. Duchesne*, 19 How. 183, 195);

- f) That since plaintiff had no legal right upon which to base a complaint, it would have been a futile gesture for him to have complained to defendant;
  - g) There was no duty on plaintiff to complain to defendant prior to the issuance of his patent;
  - h) That an implied license is a license by estoppel and defendant admittedly used the same number of units after plaintiff's visit to its premises as defendant had used prior to plaintiff's visit, i.e., there was no reliance on plaintiff's silence; and, defendant suffered no damage as a result of plaintiff's silence;
  - i) That defendant had failed to show any change of position in justifiable reliance on a belief induced by plaintiff's conduct.
14. The District Court erred in failing to hold that since plaintiff is not seeking damages antedating the issue date of his patent, and since notice of the patent after issuance was immediately communicated to defendant, defendant could not have been damaged by plaintiff's silence as he used only that equipment which he used prior to plaintiff's visit.

**APPENDIX B**

**Title 35, U. S. C.,**

**Sections 102, 103, 112, 135, 154, 284 and 285**

**§102. Conditions for patentability; novelty and loss of right to patent**

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining

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priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

**§103. Conditions for patentability; non-obvious subject matter**

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

**§112. Specification**

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in

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support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

**§135. Interferences**

Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

**§154. Contents and term of patent**

Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, of the right to exclude others from making, using, or selling the invention throughout the

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United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof. (Emphasis added.)

**§284. Damages**

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances. July 19, 1952, c. 950, §1, 66 Stat. 813.

**§285. Attorney fees**

The court in exceptional cases may award reasonable attorney fees to the prevailing party. July 19, 1952, c. 950, §1, 66 Stat. 813.



## APPENDIX C

**Pertinent Excerpts from *Graver Tank & Manufacturing Company, Inc. v. Linde Air Products Company*,  
339 U. S. 605, 607, 610**

The Court spoke through Justice Jackson as follows:

“In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it.

“But courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for—indeed encourage—the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which, though adding nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law. One who seeks to pirate an invention, like one who seeks to pirate a copyrighted book or play, may be expected to introduce minor variations to conceal and shelter the piracy. Outright and forthright duplication is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.

“The doctrine of equivalents evolved in response to this experience. The essence of the doctrine is that

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one may not practice a fraud on a patent. Originating almost a century ago in the case of *Winans v. Denmead*, 15 How. 330, it has been consistently applied by this Court and the lower federal courts, and continues to-day ready and available for utilization when the proper circumstances for its application arise. 'To temper unsparing logic and prevent an infringer from stealing the benefit of the invention' a patentee may invoke this doctrine to proceed against the producer of a device 'if it performs substantially the same function in substantially the same way to obtain the same result.' *Sanitary Refrigerator Co. v. Winters*, 280 U. S. 30, 42, 3 USPQ 40, 44. The theory on which it is founded is that 'if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form or shape.' *Machine Co. v. Murphy*, 97 U. S. 120, 125. The doctrine operates not only in favor of the patentee of a pioneer or primary invention, but also for the patentee of a secondary invention consisting of a combination of old ingredients which produce new and useful results, *Imhaeuser v. Buerk*, 101 U. S. 647, 655, although the area of equivalence may vary under the circumstances. See *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405, 414-415, and cases cited; *Seymour v. Osborne*, 11 Wall. 516, 556; *Gould v. Rees*, 15 Wall. 187, 192. The wholesome realism of this doctrine is not always applied in favor of a patentee but is sometimes used against him. Thus, where a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim

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and defeat the patentee's action for infringement. *Westinghouse v. Boyden Power Brake Co.*, 170 U. S. 537, 568. In its early development, the doctrine was usually applied in cases involving devices where there was equivalence in mechanical components. Subsequently, however, the same principles were also applied to compositions, where there was equivalence between chemical ingredients. Today the doctrine is applied to mechanical or chemical equivalents in compositions or devices. See discussions and cases collected in 3 *Walker on Patents* (Deller's ed. 1937) §§489-492; Ellis, *Patent Claims* (1949) §§59-60.

“What constitutes equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum. It does not require complete identity for every purpose and in every respect. In determining equivalents, things equal to the same thing may not be equal to each other and, by the same token, things for most purposes different may sometimes be equivalents. Consideration must be given to the purpose for which an ingredient is used in a patent, the qualities it has when combined with the other ingredients, and the function which it is intended to perform. An important factor is whether persons reasonably skilled in the art would have known of the interchangeability of an ingredient not contained in the patent with one that was.

“A finding of equivalence is a determination of fact. Proof can be made in any form: through testimony of experts or others versed in the technology;

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by documents, including texts and treatises; and, of course, by the disclosures of the prior art. Like any other issue of fact, final determination requires a balancing of credibility, persuasiveness and weight of evidence. It is to be decided by the trial court and that court's decision, under general principles of appellate review, should not be disturbed unless clearly erroneous. Particularly is this so in a field where so much depends upon familiarity with specific scientific problems and principles not usually contained in the general storehouse of knowledge and experience."

**APPENDIX D**  
**Table of Exhibits**

<i>Plaintiff's Exhibits</i>	<i>Description</i>	<i>For Identification</i>	<i>In Evidence</i>	<i>Reproduced in Record</i>
1	Copy of patent in suit with drawings in color	6	139	
2	Enlarged Print of Fig. 1 of patent with legends and in color	9	139	
3	Model of patented structure (physical exhibit)		283	
4	Drawing to scale of accused equipment (with spring)		284	
5	Drawing to scale of accused equipment (without spring)		284	
6	Drawing of scraploader showing chute in unstable position		322	
7	Sketch by Fabian	101	122	
8	Sketches of jury rig	105	122	
9	Drawing of jury rig (D-2081-0)	105	122	
10	Drawing of jury rig (D-2082-0)	105	122	
11	Drawing of jury rig (D-2083-0)	105	122	
13	Letter to Schapiro	105	122	
14	Kierulff drawing SHW-1	145	146	
15	Kierulff drawing SHW-2	145	146	
16	Kierulff drawing SHW-3	145	146	
17	Kierulff drawing SHW-4	145	146	
18	Perspective view of scraploader	145	146	
19	Purchase Order	153	159	
20	Photograph of scraploader		286	
21	Photograph of scraploader		286	



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<i>Plaintiff's Exhibits</i>	<i>Description</i>	<i>For Identification</i>	<i>In Evidence</i>	<i>Reproduce in Record</i>
22	Photograph of scraploader		286	
23	Schapiro patent application		170-II	
23-A	Photocopy of drawings from Schapiro's patent application		170-KK	
23-B	Photocopy of page containing two claims from Schapiro application		170-LL	
24	Photocopy of substitute oath of Schapiro and Fabian		170-JJ	
25	Ship Loading Schedule	170RR	189	
26	Deposition of Buchholz		246	
<i>Defendant's Exhibits</i>				
A	File wrapper of patent in suit		384	
B	Booklet of file wrapper references		252	
C	Depositions of Kierulff	57	57	
D	Invoice of Modern Crane #1764		39	
D-1	Carbon copy of Exhibit D	110	110	
E	Invoice of Modern Crane #1861		384	
F	National's ledger sheet #8495		384	
G	Purchase order of National		384	
H	Bill of Lading		170-Q	
I	Belyea shipping order		385	
J	J. Todd shipping manifest		385	
N	Assignment from Kierulff to Fabian		385	
O	Acknowledgment of assignment by Fabian		386	

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<i>Defendant's Exhibits</i>	<i>Description</i>	<i>For Identification</i>	<i>In Evidence</i>	<i>Reproduced in Record</i>
P	Agreement between Kierulff and National		386	
R	Bill from Kierulff to National		387	
S	Employment agreement with Kierulff		387	
T	Preliminary Statement of Kierulff		387	
U	Patent Office communication		388	
V	Drawing (Same as Exhibit 8)		170-D	
AA	Preliminary Statement of Schapiro and Fabian	170-N	170-Q	
AB	Amended Preliminary Statement of Schapiro and Fabian	170-N	170-Q	
AC	Sketch by Fabian		389	
AM	Sketch of jury rig		29	
AO	Letter from Jones & Young to Hopgood		390	
AP	Letter from Hopgood to Young		390	
AR	Letter from Kierulff to Commercial Metals Corporation		40	
AT	Quotation from Modern to Metropolitan		391	
AU	Kierulff Drawing Model No. 1-80		391	
AV	Kierulff sketch		392	
AY	Metropolitan Purchase Order		226	
AZ	Job ticket		226	
BA	Wilmington invoice		392	
BB	Plaintiff's Exhibit D to Buchholz deposition		392	

*Appendix D*

<i>Defendant's Exhibits</i>	<i>Description</i>	<i>For Identification</i>	<i>In Evidence</i>	<i>Reproduc in Record</i>
BC	Plaintiff's Exhibit E to Buchholz deposition		393	
BD	Photograph of modified jury rig	81	170-Q	
BE	Photograph of modified jury rig	81	170-Q	
BG	Plaintiff's Answers to Defendant's Requests for Admission	28	28	
BH	Booklet of additional U. S. Patents relied upon by defendant		251	
BI	National Purchase Order to Modern		393	
BJ	Photograph	86	170-R	
BK	Drawing		198	
BL	"		198	
BM	"		198	
B	"		198	
BO	"		198	
BP	"		198	
BQ	Deposition of Fabian		198	
BR	Transfer Order		394	

## APPENDIX E

### Official Form for Petitions to Make Applications Special

#### U. S. DEPARTMENT OF COMMERCE

#### PATENT OFFICE

#### PETITIONS TO MAKE APPLICATIONS SPECIAL

While applications are taken up for action by the Patent office in the chronological order in which they are filed, certain exceptions are made, under the conditions set forth below, when it appears that an early issue of the patent will result in manufacture; or because of infringement.

An application will not be made "special" where the petitioner has not been diligent in filing the petition or in responding to an Office action, after the development of the circumstances qualifying the case for special action, since it is not fair to other applicants who are diligently prosecuting their applications to have them further delayed in order to give precedence to an application in which response has been delayed.

#### I. MANUFACTURE

(This section is not relevant to the question of infringement and has been omitted.)

#### II. INFRINGEMENT

Except as above indicated, and subject to a requirement for a further showing as may be necessitated by the facts of a particular case, an application may be made "special"

*Appendix E*

because of actual infringement (but not for prospective infringement) upon the filing of a petition alleging facts under oath to show (1) that there is an infringing device actually on the market and (2) when the device, product or method alleged to infringe was first discovered to exist; supplemented by an affidavit of the applicant's attorney to show (3) that he has made a rigid comparison of the alleged infringing device with the claims of the application, (4) that, in his opinion, some of the claims are unquestionably infringed, (5) that he has made or caused to be made a careful and thorough search of the prior art and (6) that he believes all of the claims in the application are allowable.

Models or specimens of the infringing product or that of the application should not be submitted unless requested.



I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

JOHN M. CALIMAFDE  
Attorney

